

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom ("**UK**"), is duly authorised under the Financial Services and Markets Act 2000 ("**FSMA**") or, if not, from another appropriately authorised independent financial adviser in your own jurisdiction.

This document comprises a prospectus ("**Prospectus**") relating to MetalNRG plc (the "**Company**" or "**MetalNRG**") prepared in accordance with the prospectus regulation rules of the UK Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA (the "**Prospectus Regulation Rules**"). This Prospectus has been approved by the FCA, as competent authority under the UK version of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"). The FCA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered an endorsement of the Company and of the quality of the ordinary shares of nominal value 0.01 pence each in the capital of the Company (the "**Ordinary Shares**") that are the subject of this Prospectus.

This Prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

The Company's entire issued share capital comprising the 508,179,803 Ordinary Shares (the "**Existing Ordinary Shares**") as at the date of this Prospectus (the "**Existing Issued Share Capital**") is admitted to listing on the standard segment of the Official List ("**Standard Listing**") maintained by the FCA (the "**Official List**"), in its capacity as competent authority under FSMA (under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA (the "**Listing Rules**")) and to trading on the main market for listed securities (the "**Main Market**") of London Stock Exchange plc (the "**London Stock Exchange**").

Applications will be made for an aggregate of 443,939,394 new Ordinary Shares, which comprises 60,606,061 new Ordinary Shares pursuant to the share exchange with EQTEC PLC (the "**Exchange Shares**") and 383,333,333 new Ordinary Shares to be issued pursuant to the Placing (the "**Placing Shares**", and together with the Exchange Shares, the "**New Ordinary Shares**") to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange (together, "**Admission**"). The Ordinary Shares are not listed or traded on, and no application has been made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market. It is expected that Admission of the New Ordinary Shares will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8:00 a.m. on 14 May 2021.

**The whole of the text of this Prospectus should be read by prospective investors. Your attention is specifically drawn to the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares, as set out in Schedule 1Part II – Risk Factors of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.**

The Company and the directors, whose names appear on page 31 of this Prospectus (the "**Directors**"), accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus contains no omission likely to affect its import.



*(Incorporated in England and Wales with company number 05714562)*

**Share exchange with EQTEC PLC**

**Placing of 383,333,333 Placing Shares (with warrants attached on a one-for-one basis)  
at a Placing Price of 0.06 pence per share**

**Admission of 443,939,394 New Ordinary Shares to the Official List  
(by way of a Standard Listing under Chapter 14 of the Listing Rules)  
and to trading on the Main Market of the London Stock Exchange**

Joint Broker

Joint Broker

**SI CAPITAL**

**SI Capital Limited**



**Peterhouse Capital**

Each of SI Capital Limited ("**SI Capital**") and Peterhouse Capital Limited ("**Peterhouse**"), both of which are authorised and regulated by the FCA, is acting solely and exclusively for the Company and no-one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matter referred to herein. Neither SI Capital nor Peterhouse has authorised the contents of, or any part of, this Prospectus and no liability whatsoever is accepted by SI Capital or Peterhouse nor does either of them make any representation or warranty, express or implied, for the accuracy or completeness of any information or opinion contained in this Prospectus or for the omission of any information. Nothing in this Prospectus shall be relied upon as a promise or representation in this respect, whether as to the past or the future (without limiting the statutory rights of any person to whom this Prospectus is issued). Each of SI Capital and Peterhouse expressly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise which it might otherwise have in respect of this Prospectus.

## Notice to overseas shareholders

The Ordinary Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

No actions have been taken to allow a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction, including Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction or would impose any unfulfilled registration, publication or approval requirements on the Company.

This Prospectus does not constitute an offer to sell or an invitation to purchase or subscribe for, or the solicitation of an offer or invitation to purchase or subscribe for, Ordinary Shares in any jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the “**SEC**”), any state securities commission in the United States or any other regulatory authority in the United States, nor has the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**Other than in the UK, no action has been taken or will be taken to permit the possession or distribution of this Prospectus in any other jurisdiction. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no actions have been or will be taken to permit a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction. For a description of these and certain further restrictions on the offer, subscription, sale and transfer of the Ordinary Shares and distribution of this Prospectus, please see *Part III – Important Information* of this Prospectus. No incorporation of website information**

A copy of this Prospectus is available at the Company's website <https://www.metalnrg.com/>.

Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this Prospectus (unless specifically incorporated by reference in this Prospectus).

## General

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with listings on the premium segment of the Official List (“**Premium Listing**”) which are subject to additional obligations under the Listing Rules.

The New Ordinary Shares will rank *pari passu* in all respects with all Existing Ordinary Shares in issue on Admission, including the right to receive dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Capitalised terms have the meanings ascribed to them in *Part XVI – Definitions* of this Prospectus.

The date of this Prospectus is 11 May 2021.

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## PART I

### SUMMARY

This summary is made up of four sections and contains all the sections required to be included in a summary for this type of securities and issuer.

Even though a sub-section may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the sub-section. In this case, a short description of the sub-section is included in the summary with the mention of "not applicable".

INTRODUCTION AND WARNINGS	
<b>Name and ISIN of the securities</b>	The securities are the Ordinary Shares, which have the ISIN GB00B15FS791.
<b>Identity and contact details of the issuer</b>	The issuer is MetalNRG plc, a public limited company incorporated in England and Wales. Its registered address is at 1 Ely Place, London EC1N 6RY, United Kingdom and telephone number is +44 (0)207 796 9060. The Company's LEI is 2138003C24H79U5QZH21.
<b>Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market</b>	The Company is the offeror and the person asking for admission to trading of the Ordinary Shares on the Main Market of the London Stock Exchange, which is a regulated market.
<b>Date of approval of the prospectus</b>	The Prospectus was approved on 11 May 2021.
<b>Identity and contact details of the competent authority approving the prospectus</b>	The competent authority approving the Prospectus is the FCA. The FCA's registered address is at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number is +44 (0)20 7066 1000.
<b>Warnings</b>	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor.</p> <p>The investor could lose all or part of the invested capital.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in Ordinary Shares.</p>

KEY INFORMATION ON THE ISSUER	
Who is the issuer of the securities?	
<b>Domicile and legal form</b>	The Company was incorporated in England and Wales on 20 February 2006 as a public company with limited liability under the Companies Act 1985 under the name ZimNRG plc, and re-registered with the name MetalNRG plc on 11 March 2016. The Company is domiciled in England and Wales.
<b>Principal activities</b>	<p>The Company's investing policy, approved at a general meeting on 11 March 2016 by way of special resolution (the "<b>Investing Policy</b>") was to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation. For those projects that offer substantial growth opportunity, the Company seeks a controlling interest to maintain a medium to long term investment view. For those projects that offer value creation opportunities, the Company may seek to list such projects on an appropriate stock exchange and crystallise value in the short term. The Investing Policy also allows the Company to consider opportunities in other related sectors if the Board considers that there is an opportunity to generate an attractive return for shareholders. Such related sectors may include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses.</p> <p><b>Existing Investments:</b></p> <p>(a) <b>Goldridge Holdings Limited</b> On 25 July 2018, the Company acquired the entire issued share capital of Goldridge Holdings Limited ("<b>Goldridge Holdings</b>") for each payment totalling US\$219,220 and the issue of 21,942,576 Ordinary Shares credited as fully paid at a price of 1.75 pence per share. Goldridge Holdings had a gold mining asset in Arizona, USA.</p> <p>(b) <b>Kyrgyzstan Uranium Project</b> On 16 August 2018, the Company entered into an option agreement with International Mining Company Invest, Inc. ("<b>IMC</b>") to acquire a majority interest in the Kamyshanovskoye uranium project (the "<b>Uranium Project</b>"). On 2 May 2019 the parliament of the Kyrgyz Republic voted to ban all uranium exploration in Kyrgyzstan and accordingly on 3 May 2019 the Company and IMC entered into an agreement to suspend all of their mutual obligation for the duration of the exploration and mining ban. Subsequently the Company provided an additional £50,000 of finance to IMC for a 9.9% equity interest and a three times multiple return on capital should IMC reach a financial settlement with the Kyrgyzstan government.</p>



	<p>(c) <b>Palomino Cobalt</b> The Company reviewed its investment in the Palomina Cobalt project, held in its subsidiary, MetalNRG Australia Pty Ltd ("<b>MetalNRG Australia</b>") in early 2020 and concluded that the early stage project did not warrant additional investment and relinquished the licence at no material cost.</p> <p>(d) <b>UK Onshore Oil and Gas</b> On 9 August 2020 the Company entered into a joint venture agreement with certain private investors and committed to invest in a joint venture to acquire UK on share oil licences. This joint venture vehicle, BritNRG Limited ("<b>BritNRG</b>"), entered into an agreement on 9 August 2020 to acquire the entire issued share capital of Sunswept Enterprises Limited ("<b>Sunswept</b>"). Sunswept, via its subsidiaries have interests in the following UK onshore licences: PL199 (95%; operator); PL215 (50%) EXL141 (100%; operator); EXL294 (100%; operator); PEDL090 (50%; operator); and PEDL209(28%). The Company's investment in BritNRG is for a 50% interest with control at board level at a total investment cost of £475,000.</p> <p>On 21 March 2021, the Company signed an agreement with EQTEC PLC (the "<b>Framework Partnership Agreement</b>") pursuant to the terms of which the Company and EQTEC PLC agreed to enter into a collaboration concerning future potential project opportunities and to effect the Share Exchange pursuant to a share exchange agreement also dated 21 March 2021.</p> <p>As at the date of this Prospectus the Company has three subsidiaries; (1) MetalNRG Australia, which acts as a holding company; (2) Goldridge Holdings, which is incorporated in British Columbia and serves as the operating company for the Company's gold mining asset in Arizona; and (3) MetalNRG ECO NRG Limited, a company incorporated in England and Wales.</p>																								
Major shareholders	<p>As at 10 May 2021 (being the latest practicable date prior to the publication of this Prospectus) (the "<b>Latest Practicable Date</b>"), in so far as it is known to the Company, the following persons were directly or indirectly interested in 3% or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as of Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):</p> <table><thead><tr><th rowspan="2">Name</th><th colspan="2">As at the Latest Practicable Date</th><th colspan="2">Immediately following Admission</th></tr><tr><th>Number of Existing Ordinary Shares</th><th>Percentage of the Existing Issued Share Capital</th><th>Number of Ordinary Shares</th><th>Percentage of the Enlarged Issued Share Capital</th></tr></thead><tbody><tr><td>Edward Peter Spencer and Sarah Louise Spencer</td><td>83,600,001</td><td>16.45%</td><td>83,600,001</td><td>8.78%</td></tr><tr><td>Buchanan Trading Inc.</td><td>24,750,000</td><td>4.87%</td><td>24,750,000</td><td>2.59%</td></tr><tr><td>Gervaise Heddle</td><td>16,546,967</td><td>3.32%</td><td>16,546,967</td><td>1.72%</td></tr></tbody></table> <p>Save as disclosed in this element, the Company is not aware of any person who, as at the date of this Prospectus, directly or indirectly, has a holding which is notifiable under English law or who directly or indirectly, jointly or severally, exercises or could exercise control over the Company. There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by any other holder of Ordinary Shares.</p>	Name	As at the Latest Practicable Date		Immediately following Admission		Number of Existing Ordinary Shares	Percentage of the Existing Issued Share Capital	Number of Ordinary Shares	Percentage of the Enlarged Issued Share Capital	Edward Peter Spencer and Sarah Louise Spencer	83,600,001	16.45%	83,600,001	8.78%	Buchanan Trading Inc.	24,750,000	4.87%	24,750,000	2.59%	Gervaise Heddle	16,546,967	3.32%	16,546,967	1.72%
Name	As at the Latest Practicable Date		Immediately following Admission																						
	Number of Existing Ordinary Shares	Percentage of the Existing Issued Share Capital	Number of Ordinary Shares	Percentage of the Enlarged Issued Share Capital																					
Edward Peter Spencer and Sarah Louise Spencer	83,600,001	16.45%	83,600,001	8.78%																					
Buchanan Trading Inc.	24,750,000	4.87%	24,750,000	2.59%																					
Gervaise Heddle	16,546,967	3.32%	16,546,967	1.72%																					
Key managing directors	Rolf Gerritsen, Chief Executive Officer																								
Statutory auditors	Edwards Veeder (UK) Limited of 4 Broadgate, Broadway Business Park, Chadderton, Oldham OL9 9XA, United Kingdom.																								

What is the key financial information regarding the issuer?						
<b>Selection of historical key financial information</b>	<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>					
		31 December 2020	31 December 2019	28 February 2019	28 February 2018	30 June 2020
		Audited	Audited	Audited	Audited	Unaudited
		£	£	£	£	£
	<b>Assets</b>					
	<i>Non-current assets</i>					
	Intangible fixed assets	668,937	666,291	621,151	-	669,198
	Investments	466,652	131,667	168,919	175,433	166,808
	Available for sale assets	-	83,333	107,800	-	-
		<u>1,135,589</u>	<u>881,291</u>	<u>897,870</u>	<u>175,433</u>	<u>836,006</u>
	<i>Current assets</i>					
	Trade and other receivables	29,736	85,290	190,650	2,396	63,122
	Cash and cash equivalents	63,611	139,039	24,168	209,673	111,699
		<u>93,347</u>	<u>224,329</u>	<u>214,818</u>	<u>212,069</u>	<u>174,821</u>
	<b>TOTAL ASSETS</b>	<u>1,228,936</u>	<u>1,105,620</u>	<u>1,112,688</u>	<u>387,502</u>	<u>1,010,827</u>
	<b>EQUITY</b>					

**SHAREHOLDERS'****EQUITY**

Called up share capital	273,968	272,801	257,114	250,709	273,301	266,847
Share premium	2,483,117	2,414,284	1,886,524	1,095,221	2,443,784	2,167,311
Retained earnings	(2,605,538)	(1,795,404)	(1,210,550)	(972,442)	(2,181,708)	(1,470,778)
Foreign currency reserve	<u>(1,358)</u>	<u>(940)</u>	<u>1,127</u>	<u>-</u>	<u>(4,615)</u>	<u>(2,700)</u>
<b>TOTAL EQUITY</b>	<u>150,189</u>	<u>890,741</u>	<u>934,215</u>	<u>373,488</u>	<u>530,762</u>	<u>960,680</u>

**LIABILITIES****CURRENT LIABILITIES**

Trade and other payables	<u>1,049,772</u>	<u>214,879</u>	<u>178,473</u>	<u>14,014</u>	<u>480,065</u>	<u>192,562</u>
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**NON-CURRENT LIABILITIES**

Other non-current liabilities	<u>28,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,078,747</u>	<u>214,879</u>	<u>178,473</u>	<u>14,014</u>	<u>480,065</u>	<u>192,562</u>

**TOTAL EQUITY AND LIABILITIES**

	<u>1,228,936</u>	<u>1,105,620</u>	<u>1,112,688</u>	<u>387,502</u>	<u>1,010,827</u>	<u>1,153,242</u>
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Year ended 31 December 2020 Audited £	10-Months from 01 March 2019 to 31 December 2019 Audited £	Year ended 28 February 2019 Audited £	Year ended 28 February 2018 Audited £	6 months from 01 January 2020 to 30 June 2020 Unaudited £	6 months from 01 March 2019 to 31 August 2019 Unaudited £
<b>CONTINUING OPERATIONS</b>						
Revenue	-	-	-	-	-	-
Administrative expenses	(829,267)	(594,140)	(249,692)	(157,037)	(405,647)	(276,659)
Other operating income	<u>19,134</u>	<u>9,285</u>	<u>11,279</u>	<u>-</u>	<u>19,343</u>	<u>16,431</u>
<b>OPERATING LOSS</b>	<u>(810,133)</u>	<u>(584,855)</u>	<u>(238,413)</u>	<u>(157,037)</u>	<u>(386,304)</u>	<u>(260,228)</u>
Finance Income	<u>-</u>	<u>-</u>	<u>305</u>	<u>120</u>	<u>-</u>	<u>-</u>
<b>LOSS BEFORE INCOME TAX</b>	<u>(810,133)</u>	<u>(584,855)</u>	<u>(238,108)</u>	<u>(156,917)</u>	<u>(386,304)</u>	<u>(260,228)</u>
Income Tax	-	-	-	-	-	-
<b>LOSS FOR THE PERIOD</b>	<u>(810,133)</u>	<u>(584,855)</u>	<u>(238,108)</u>	<u>(156,917)</u>	<u>(386,304)</u>	<u>(260,228)</u>
Items that may subsequently be reclassified to profit or loss:						
Foreign exchange movements	<u>(418)</u>	<u>(2,067)</u>	<u>1,127</u>	<u>-</u>	<u>(3,675)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<u>(810,551)</u>	<u>(586,922)</u>	<u>(236,981)</u>	<u>(156,917)</u>	<u>(389,979)</u>	<u>(260,228)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year ended 31 December 2020 Audited £	10-Months from 01 March 2019 to 31 December 2019 Audited £	Year ended 28 February 2019 Audited £	Year ended 28 February 2018 Audited £	6 months from 01 January 2020 to 30 June 2020 Unaudited £	6 months from 01 March 2019 to 31 August 2019 Unaudited £
<b>Cash flows from operating activities</b>						
Loss for the period before tax	(810,133)	(584,855)	(238,108)	(156,917)	(386,304)	(260,228)
Adjustment for:						
Finance income	-	-	(305)	(120)	-	-
Finance costs	32,436	-	-	-	-	-
(Profit)/loss on disposal of investments	<u>(19,134)</u>	<u>16,357</u>	<u>(11,279)</u>	<u>-</u>	<u>(19,134)</u>	<u>16,357</u>

Shares received in lieu of fees	-	-	(62,500)	-	-	79,730
Impairment of investments	<u>-</u>	<u>44,847</u>	<u>92,878</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(796,831)	(523,651)	(219,314)	(157,037)	(405,438)	(164,141)
<i>Changes in:</i>						
Trade and other debtors	55,554	105,361	(153,254)	20,785	160,186	14,089
Trade and other creditors	<u>50,931</u>	<u>36,407</u>	<u>127,951</u>	<u>5,706</u>	<u>22,167</u>	<u>(19,318)</u>
<b>Cash generated from operations</b>	<u>(690,346)</u>	<u>(381,883)</u>	<u>(244,617)</u>	<u>(130,546)</u>	<u>(223,085)</u>	<u>(169,370)</u>
<b>Cash flows from investing activities</b>						
Payments for intangible assets	(2,646)	(45,140)	(621,251)	-	(2,907)	(20,144)
Creditors on acquisition	-	-	37,927	-	-	-
Proceeds from sale of investments	102,467	39,360	26,118	-	102,467	39,360
Purchase of investments	<u>(334,985)</u>	<u>(38,846)</u>	<u>(147,822)</u>	<u>(175,433)</u>	<u>(35,140)</u>	<u>(13,845)</u>
<b>Cash used in investing activities</b>	<u>(235,164)</u>	<u>(44,626)</u>	<u>(705,028)</u>	<u>(175,433)</u>	<u>64,420</u>	<u>5,371</u>
<b>Cash flows from financing activities</b>						
Net proceeds from issue of shares and warrants	70,000	543,447	762,708	387,006	30,000	210,790
Proceeds from convertible loan notes	370,000	-	-	-	105,000	-
Bridging and other loan financing	410,500	-	-	-	-	-
Interest received	<u>-</u>	<u>-</u>	<u>305</u>	<u>120</u>	<u>-</u>	<u>-</u>
<b>Cash generated by financing activities</b>	<u>850,500</u>	<u>543,447</u>	<u>763,013</u>	<u>387,126</u>	<u>135,000</u>	<u>210,790</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(75,010)	116,938	(186,632)	81,147	(23,665)	46,791
<b>Cash and cash equivalents at beginning of period</b>	139,039	24,168	209,673	128,526	139,039	24,168
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(418)</u>	<u>(2,067)</u>	<u>1,127</u>	<u>-</u>	<u>(3,675)</u>	<u>-</u>
<b>Cash and cash equivalents at end of period</b>	<u>63,611</u>	<u>139,039</u>	<u>24,168</u>	<u>209,673</u>	<u>111,699</u>	<u>70,959</u>
<b>Selected key pro forma financial information</b>	Not applicable.					
<b>Brief description of any qualifications in the audit report</b>	Not applicable. There are no qualifications in the accountant's report relating to the historical financial information.					

What are the key risks that are specific to the issuer?	
<b>Brief description of the most material risk factors specific to the issuer contained in the prospectus</b>	<ul style="list-style-type: none"> <li>Mineral exploration and development operations generally involve a high degree of risk. The Group's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.</li> <li>The development of the Gold Ridge Project to the stage of commercial production will require additional finance in the form of project finance or offtake pre-pay finance. BRIT NRG's development of its onshore licence portfolio may ultimately also require a farm-in partner or joint venture partner to maximise its potential.</li> <li>The Group's activities are directed towards the search for, evaluation of, and development of mineral deposits. There is no certainty that the expenditures to be made by the Group will result in discoveries of commercial quantities of minerals and there is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential.</li> <li>The price or both gold and oil are volatile and affected by factors beyond the Company's control.</li> <li>The Company may encounter difficulties with joint venture partners. Any joint venture partner may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a joint venture partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the joint venture agreement. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund this contingency. It is also possible that the interests of the Company and those of any joint venture partners are not aligned resulting in project delays or additional costs.</li> <li>The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition and the loss of the services of the Directors could materially adversely affect the Company's strategy or ability to deliver upon it in a timely manner or at all.</li> <li>The Company may be subject to risks particular to one or more countries in which it ultimately operates, including regulatory compliance risks and foreign investment and exchange risks similar the recent experience of the Company in respect of the uranium exploration ban and its impact on the Kyrgyzstan Uranium Project.</li> </ul>

	<ul style="list-style-type: none"> <li>The expense of meeting environmental regulations could cause a significantly negative effect on the Company's long term profitability, as could the failure to obtain certain necessary environmental permits.</li> <li>If the Company is not granted licences by a responsible authority or is not seen as an entity suitable to hold or own an entity holding natural resource licences by a responsible authority, it could have a material adverse effect on its business, operations and prospects.</li> </ul>
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<b>KEY INFORMATION ON THE SECURITIES</b>	
<b>What are the main features of the securities?</b>	
<b>Type, class and ISIN</b>	The Ordinary Shares have a nominal value of 0.01 pence each in the capital of the Company. Application has been made for the 60,606,061 Exchange Shares and 383,333,333 Placing Shares to be admitted to the Official List with a Standard Listing and to trading on the Main Market of the London Stock Exchange. The Ordinary Shares are registered with ISIN GB00B15FS791, SEDOL code B15FS79 and have a TIDM MNRG.
<b>Currency, denomination, par value, number of securities issued and the term of the securities</b>	The currency of the securities issue is UK Pounds Sterling. 494,317,455 Ordinary Shares have been issued at the date of this Prospectus, all of which have been fully paid up.
<b>Rights attached to the securities</b>	<p>Subject to the provisions of the articles of association (the "<b>Articles</b>"), and in particular to those conferring rights of redemption, and without prejudice to any special rights conferred on the holders of any shares or class of shares, Ordinary Shares may be issued with or have attached to them such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Directors may determine.</p> <p>Subject to the Companies Act, Ordinary Shares may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may by special resolution determine.</p> <p>The Board may issue share warrants to bearer in respect of any fully paid shares under the Company's seal or in any other manner authorised by the Board. Any Ordinary Shares while represented by such warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the Board may provide for the payment of dividends or other moneys on the Ordinary Shares represented by the warrant by coupons or otherwise. The Board may decide, either generally or in any particular case, that any signature on a warrant may be applied by mechanical means or printed on it or that the warrant need not be signed by any person.</p>
<b>Relative seniority of the securities in the issuer's capital structure in the event of insolvency</b>	The Company has Deferred Shares in issue but does not have any other securities in issue or liens over its assets. The Deferred Shares have no economic or voting rights ahead of the Ordinary Shares, accordingly the Ordinary Shares are not subordinated to any other instrument in the Company's capital structure.
<b>Restrictions on the free transferability of the securities</b>	Not applicable. The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer. Each Shareholder may transfer all or any of their Ordinary Shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each Shareholder may transfer all or any of their Ordinary Shares which are in uncertificated form by means of a 'relevant system' (i.e., the CREST System) in such manner provided for, and subject as provided in, the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (the " <b>CREST Regulations</b> ").
<b>Dividend or pay-out policy</b>	The Company's current intention is to retain earnings, if any, for use in its future business operations and expansion. The Company will only pay dividends if deemed commercially appropriate by the Board and to the extent that to do so is in accordance with the Companies Act and all other applicable laws. There can be no assurance that the Company will declare or pay, or have the ability to declare and pay, any dividends in the future.

<b>Where will the securities be traded?</b>	
<b>Application for admission to trading</b>	<p>The Existing Ordinary Shares are currently admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange.</p> <p>Applications have been made for the 60,606,061 Exchange Shares and the 383,333,333 Placing Shares to be admitted to the Official List with a Standard Listing and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8:00 a.m. on 14 May 2021.</p> <p>No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to trading on any other exchange.</p>
<b>Identity of other markets where the securities are or are to be traded</b>	Not applicable. There is currently no market for the Ordinary Shares and the Company does not intend to seek admission to trading of the Ordinary Shares on any market other than the Main Market.

<b>What are the key risks specific to the securities?</b>	
<b>Brief description of the most material risk</b>	<ul style="list-style-type: none"> <li>The proposed Standard Listing of the New Ordinary Shares will not afford Shareholders the opportunity to vote to approve any future material investment or acquisition.</li> </ul>

<b>factors specific to the securities contained in the prospectus</b>	<ul style="list-style-type: none"> <li>• A suspension or cancellation of the Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an acquisition or a target business, would materially reduce liquidity in such Ordinary Shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced.</li> <li>• The Company is one of the smaller companies listed on the Main Market of the London Stock Exchange. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash and other resources with which to pursue its ambitious strategic objectives.</li> <li>• Further equity capital raisings may be required by the Company in order to complete one or more acquisition. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time.</li> <li>• The Company has a significant number of outstanding warrants and options and intends to issue further warrants in connection with the Placing. All of its convertible instruments will have a distinctive effect on Shareholders when and if they are exercised. The Placing itself will involve the issue of 383,333,333 New Ordinary Shares, representing approximately 40.26% of the Enlarged Issued Share Capital of the Company and 390,999,999 New Warrants. If all warrants and options were exercised, the Existing Ordinary Shares would represent 31.35% of the Enlarged Issued Share Capital of the Company.</li> </ul>
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<b>KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON THE LONDON STOCK EXCHANGE</b>											
<b>Under which conditions and timetable can I invest in this security?</b>											
<b>General terms and conditions</b>	<p>The Company and each of SI Capital and Peterhouse Capital have entered into engagement letters pursuant to which, subject to certain conditions, SI Capital and Peterhouse Capital agreed to use their reasonable endeavours to procure subscribers for up to an aggregate of 383,333,333 Placing Shares at the Placing Price of 0.6 pence per share. The Placing Shares will be issued with warrants attached on the basis of one warrant for every one Placing Share, each warrant entitling the holder to subscribe for one new Ordinary Share at a price of 1 pence at any time in the 24 months following Admission. SI Capital and Peterhouse will also be issued a total of 7,666,666 warrants in connection with the Placing Share, each warrant entitling the holder to subscribe for one new Ordinary Share at a price of 1 pence at any time in the 24 months following Admission. The Placing Shares will represent approximately 40.26% of the Enlarged Issued Share Capital of the Company.</p> <p>The Placing is not being underwritten. SI Capital and Peterhouse Capital, as the Company's agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from Subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.</p> <p>The aggregate Net Placing Proceeds, after deduction of expenses, will be £1,800,000 on the basis that the aggregate Gross Placing Proceeds will be £2,300,000. The Placing is conditional upon Admission occurring by 8:00 a.m. on 13 May 2021 (or such later date as the Company SI Capital and Peterhouse Capital may agree, not being later than 8:00 a.m. 28 May 2021).</p> <p>The Placing Shares will, upon issue, rank pari passu with the Existing Ordinary Shares. If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to subscribers.</p>										
<b>Expected timetable of the offer</b>	<table> <tr> <td>Publication of this Prospectus</td><td>11 May 2021</td></tr> <tr> <td>Latest time and date for placing commitments under the Placing</td><td>10.00 a.m. on 8 March 2021</td></tr> <tr> <td>Admission and commencement of dealings in the New Ordinary Shares</td><td>8.00 a.m. on 14 May 2021</td></tr> <tr> <td>Expected CREST members' accounts being credited in respect of the New Ordinary Shares</td><td>14 May 2021</td></tr> <tr> <td>Expected Share certificates being despatched in respect of New Ordinary Shares</td><td>by 21 May 2021</td></tr> </table>	Publication of this Prospectus	11 May 2021	Latest time and date for placing commitments under the Placing	10.00 a.m. on 8 March 2021	Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 14 May 2021	Expected CREST members' accounts being credited in respect of the New Ordinary Shares	14 May 2021	Expected Share certificates being despatched in respect of New Ordinary Shares	by 21 May 2021
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Expected Share certificates being despatched in respect of New Ordinary Shares	by 21 May 2021										
<b>Details of admission to trading on a regulated market</b>	<p>Application has been made for the New Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8:00 a.m. on 14 May 2021.</p>										
<b>Plan for distribution</b>	<p>The Placing Shares which are the subject of this Prospectus will be offered by SI Capital and Peterhouse Capital exclusively to Qualified Investors and/or Relevant Persons. There will be no offer to the public of the Ordinary Shares and no intermediaries offer.</p>										
<b>Amount and percentage of immediate dilution resulting from the offer</b>	<p>Shareholdings immediately prior to Admission will be diluted by approximately 40.26% as a result of Placing Shares and the Exchange Shares.</p>										
<b>Estimate of total expenses of the issue and/or offer</b>	<p>The expenses of the Placing will be borne by the Company in full and no expenses will be charged to the investor by the Company. These expenses (including commission and expenses payable under the engagement letters with SI Capital and Peterhouse and registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £500,000 representing approximately 22% of the aggregate of the £2,300,000 in Gross Placing Proceeds. The total Net Placing Proceeds on this basis are approximately £1,800,000.</p>										

<b>Why is this prospectus being produced?</b>	
<b>Reasons for the offer or for the admission to trading on a regulated market</b>	The Company retained SI Capital and Peterhouse Capital to conduct a Placing to raise £2,300,000, the Net Placing Proceeds of which will be used by the Company in the development of its business.
<b>Use and estimated net amount of the proceeds</b>	<p>The Company has raised aggregate gross proceeds of £2,300,000 pursuant to the Placing (the "<b>Gross Placing Proceeds</b>"). The costs and expenses of the Placing will be borne by the Company in full. These expenses (listing and Admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £500,000, representing approximately 22% of the gross proceeds of the Placing. The total net placing proceeds on this basis will be £1,800,000 (the "<b>Net Placing Proceeds</b>").</p> <p>The Company will use the Net Placing Proceeds as follows.</p> <ol style="list-style-type: none"> <li>up to £500,000 to invest in BritNRG (including the £150,000 final payment for the convertible loan notes), to fund the unblocking of Whisby well #5 or well #2 (currently shut in) on PL199 via a side-tracked well and to reprocess and reinterpret seismic and geological data from Newton;</li> <li>up to £500,000 to develop the Goldridge Holdings project in Arizona by development of a detailed geological understanding of the total area and create a roadmap to sustainable production;</li> <li>up to £500,000 reserved for participation in an initial green alternative energy project to be identified in collaboration with EQTEC PLC; and</li> <li>up to £300,000 for general working capital purposes.</li> </ol>
<b>Indication of whether the offer is subject to an underwriting agreement</b>	The Placing is not being underwritten. SI Capital and Peterhouse Capital, as the Company's agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.
<b>Indication of the most material conflicts of interests relating to the offer or admission to trading</b>	Not applicable.

## PART II

### RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in *Part I – Summary* of this Prospectus are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in *Part I – Summary* of this Prospectus but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Prospectus were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

#### PART A: RISK FACTORS SPECIFIC AND MATERIAL TO THE GROUP

##### RISK FACTORS RELATING TO THE GROUP AND ITS ACTIVITIES GENERALLY

###### ***The Company may encounter difficulties with joint venture partners***

From time to time, the Company may enter into joint venture arrangements (such as the Uranium Project, the investment in BritNRG or the Partnership Framework Agreement with EQTEC PLC) where the Company is committed fund a portion of the exploration, development or project costs associated with its investments or joint ventures. Liquidity and cash flow problems encountered by the partners and co-owners of such assets and any non-compliance by the partners and co-owners may lead to a delay in the pace of project development that may be detrimental to an investment or may otherwise have adverse consequences for the Company.

Joint venture partners may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a joint venture partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the joint venture agreement. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund this contingency. It is also possible that the interests of the Company and those of any joint venture partners are not aligned resulting in project delays or additional costs.

Given the nature of joint ventures and partnerships, the Company may not be able to exercise control the partnership or joint venture, whether these arrangements are structured as equity participations or contractual agreements. In the event that participants are unable to agree on the execution of current or future plans or reach a deadlock, the Company may have no option but to exit the investment, project or venture and may not get back its investment to date.

###### ***Whilst the Company's portfolio of direct and indirect investments is growing, its key investments are at an early stage and the Company is exposed to a concentration of risk.***

The Company's business risk is currently concentrated in two active projects, being the Gold Ridge Project and the BRIT NRG investment. The collaboration with EQTEC PLC is at an early stage and has not yet resulted in an executable project proposal. A consequence of this is that returns for Shareholders are contingent upon the development and successful execution of plans for these entities, all of which should be considered at an early stage and may be adversely affected if the growth in the value of any of these investments, ventures or collaboration is not achieved or if the value of the investments are subsequently written down in circumstances where development plans fail completely or fail to yield the result expected. Accordingly, investors should be aware that the risk of investing in the Company could

be greater than investing in an entity which owns or operates a range of more mature and/or proven business interests in a more diverse range of sectors. Currently therefore, the Company's future performance and ability to achieve positive returns for Shareholders will be highly dependent on the subsequent performance of its limited investments and ventures concluded to date.

### ***Mining and oil exploration licences***

Both the Gold Ridge Project and the BritNRG investment involve all the risks attendant to exploration, mining, drilling and processing activities. Accordingly, both investments are wholly dependent upon the grant, renewal, continuance or maintenance of appropriate permits, licences, concessions, leases and regulatory consents. In particular licences, which may be valid only for a defined time period and subject to limitations or other conditions related to operational activities, may expire before the Company has the necessary results and cash resources to fully exploit the potential of any opportunity. The Directors are confident that the Company will be able to continue to fulfil the necessary conditions to maintain the good standing of the Gold Ridge Licences and that entities owned by BRIT NRG will be able to do likewise, in order to continue to be able to execute the business strategy of the Group. If the Group or any of its investee entities fails to fulfil the specific terms of current licences, or any additional licences obtained in the future or if it operates its business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the right, concession, licence, permit or other authorisation, any of which could have a material adverse effect on the Group's results of operations, cash flows and financial condition. Prior to any development on any properties, the Group is likely to be required to receive permits from appropriate governmental authorities. There can be no assurance that the Group will obtain and/or continue to hold all permits necessary to develop or continue operating at any particular property. There is also no assurance that delays will not occur in connection with obtaining all necessary new permits or renewals of such permits for future operations.

### ***Infrastructure***

The continued commercialisation of the BritNRG Projects, the advancement of the Gold Ridge Project and any future projects of the Group will depend to a significant degree on adequate infrastructure. Accordingly, should the Board decide to proceed with plans for operational change and future development plans and other process upgrades, significant additional funding may be required to develop any associated infrastructure. Such infrastructure may include additional plant and machinery, heavy equipment and apparatus and extensions to existing site roads and site buildings and connections to transmission systems. The BritNRG and Gold Ridge Projects are subject to very different risk profiles, with the Gold Ridge Project being in a remote area where costs of additional infrastructure may be disproportionate to the scale of the commercial opportunity, whereas the BritNRG Projects are located in the UK but close to populated areas where planning and environmental concerns are likely to restrict or constrain the development of additional infrastructure. The collaboration with EQTEC is likely to involve the transfer of waste materials which is heavily regulated in the UK and Europe and the construction of any future project will require careful assessment of infrastructure and the impact of the movement of waste on local communities and the environment. Unusual or infrequent weather phenomena, sabotage, governmental policy changes and local community opposition could all impact the ability to construct or operate relevant infrastructure and any subsequent failure or unavailability in such infrastructure could materially adversely affect the Group's operations, financial condition and results of operations.

### ***Development and operating risks***

The Group's profitability will depend, in part, on the actual economic returns and the actual costs of operating and developing the Group's Projects, which may differ significantly from the Group's current estimates. The development of oil and gas and mining projects may be subject to unexpected problems and delays. The Group's decision (or that of one of its investee entities) to develop a mineral or petroleum property will typically be based, in the case of an extension or, in the case of a new development, on the results of a feasibility study, such as the drilling of new well sites in relation to the BritNRG projects and implementing the recommendation of the Competent Person's Report in the case of the Gold Ridge Project. Feasibility studies derive estimates of expected or anticipated project economic returns. These estimates are based on assumptions about future commodity prices, anticipated tonnage or production, grades or metallurgical characteristics of resource to be extracted and processed, anticipated recovery rates, anticipated capital expenditure and cash operating costs and the anticipated return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. There are a number of uncertainties inherent in the



development and construction of any new extractive project or the reworking of existing wells or mines. These uncertainties include: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and cost of skilled labour, power, water, consumables and transportation facilities, the availability and cost of appropriate smelting and/or refining arrangements, the need to obtain necessary environmental and other governmental permits and the timing of those permits, and the availability of funds to finance construction and development activities. The events and consequences of the COVID pandemic have also highlighted that assumptions concerning the prices of oil and precious metals may turn out to be incorrect or that the underlying commodity prices may be subject to extreme volatility when compared to historical, more stable, pricing variations and movements.

### ***Government regulation and political risk***

The Group's operating activities are subject to extensive laws and regulations governing waste disposal, protection of the environment, mine development, land and water use, prospecting and mineral production. On-ground exploration activity requires the submission and approval of the scope of exploration activities and key environmental risks with the aim of establishing agreed and acceptable outcomes for environmental protection and rehabilitation. If exploration activities could potentially impact areas of environmental conservation, such as protection areas, national parks or conservation parks, or areas with heritage significance, then further consultation or approval may be required, which, in turn, may delay the license approval process.

While the Company believes that its potential investments will comply with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its investments, which could have a material adverse impact on the Company's current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its investments. Climate change activism is currently significantly driving changes in governmental policy in all geographical regions but in the UK and Europe at a potentially very rapid pace. In the case of the BritNRG Projects (which are focussed on transitional onshore oil development) additional governmental regulation designed to move away from the consumption of fossil fuels has the potential to impact any future development or expansion of operations.

### ***Dependence on Key Personnel***

The Group has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Group's business. The loss of key management and/or technical personnel could delay the development of the Group's projects and assets, and negatively impact the ability of the Group to compete in the resource exploration sector. In addition, the Group will need to recruit new managers and key personnel to develop its business as and when it expands into fields which require additional skills. Other mining companies that it competes against for qualified personnel may have greater financial and other resources, different risk profiles or longer track records than the Group. If this competition is intense, the Group might not be able to attract or retain these key persons on conditions that are economically acceptable. Therefore, the loss of key management and/or the inability of the Group to retain and attract further key persons could prevent it from achieving its objectives overall which could have a material adverse effect on its business, financial condition, results of operations and prospects.

**COVID-19 has adversely affected the Company's business, and the continuation of the COVID-19 pandemic or any new pandemic, epidemic or outbreak of an infectious disease may further adversely affect its business.**

In December 2019, a novel strain of coronavirus, SARS-CoV-2, spread globally, which has impacted the global economy and the Company's operations, including interrupting field activities and disrupting the Company's supply chain. The continuing pandemic has resulted in changes to the Company's operations, such as limited field work, international travel and work-from-home arrangements. The Company is allowing for extended delivery times for some supplies, and for slower progress with collaboration partners.

The global pandemic of COVID-19 continues to rapidly evolve. The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change, and will depend on a number of factors, such as the severity of any current infection rates and subsequent waves of infection, government initiatives to limit the spread of the virus, the length of time it takes to effectively vaccinate the global population. The Company does not yet know the full extent of potential delays or impacts on its business or the global economy as a whole. However, these effects could have a material impact on the Company's operations, and the Directors will continue to monitor the COVID-19 situation closely.

#### **The Company may be subject to foreign investment and exchange risks**

The Company's functional and presentational currency is UK Pounds Sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in UK Pounds Sterling. When consolidating a business that has functional currencies other than UK Pounds Sterling, the Company will be required to translate, inter alia, the balance sheet and operational results of such business into UK Pounds Sterling. Due to the foregoing, changes in exchange rates between UK Pounds Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

#### **RISK FACTORS RELATING TO THE EXTRACTIVE INDUSTRY SECTOR**

##### ***A material decline in commodity prices globally may adversely affect the Company's business, prospects, financial condition and results of operations***

It is the Group's strategy to derive its revenue from the production of commodities. In particular, the future profitability of the Gold Ridge Project is reliant on the price of gold and the performance of the BritNRG investment is reliant on the price of oil. Accordingly, the Group's revenues, profitability and future rate of growth will depend substantially on the prevailing price of these commodities, which can be volatile and subject to fluctuation. In any project, changes in base and precious metal prices will directly affect the Group's revenues and net income.

The price for commodities is, including base and precious metals, subject to fluctuation and volatility in response to a variety of factors beyond the Group's control, including, but not limited to:

- changes in the global and regional supply and demand for commodities and expectations regarding future supply and demand for commodities;
- changes in global and regional economic conditions and exchange rate fluctuations;
- political, economic and military developments in commodity producing regions;
- prevailing weather conditions;
- geopolitical uncertainty;
- the extent of government regulation and actions, in particular export restrictions and taxes;
- the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery); and
- potential influence on commodity prices due to the large volume of derivative transactions on commodity exchanges and over-the-counter markets.

It is impossible to accurately predict future commodity price movements. The Company can give no assurance that existing prices will be maintained in the future. At any mine that is acquired, a material decline in the price of cobalt will result in a reduction of its net production revenue and a decrease in the valuation of its exploration, appraisal, development and production properties. The economics of producing from some mines may change as a result of lower prices, which could result in a reduction in the production quantities. Any of these factors could potentially result in a material decrease in the Group's net production revenue and the financial resources available to it to make planned capital expenditures, resulting in a material adverse effect on its future financial condition, business, prospects and results of operations.

##### ***Activities in the extractive industries sector can be dangerous and may be subject to interruption***

As such, the Group's operations and investments are subject to the significant hazards and risks inherent in the extractive industries sector. These hazards and risks include:

- explosions and fires;
- disruption to production operations;
- natural disasters;
- adverse weather conditions;
- equipment break-downs and other mechanical or system failures;
- improper installation or operation of equipment;
- transportation accidents or disruption of deliveries of fuel, equipment and other supplies; and
- community opposition activities.

If any of these events were to occur, they could result in environmental damage, injury to persons and loss of life and a failure to produce commodities in commercial quantities. They could also result in significant delays to mining programmes, a partial or total shutdown of operations, significant damage to the Group's equipment and equipment owned by third parties and personal injury or wrongful death claims being brought against the Group. These events could also put at risk some or all of the Group's licences which enable it to explore and develop, and could result in the Group incurring significant civil liability claims, significant fines or penalties, as well as criminal and potentially being enforced against the Group and/or its officers and Directors.

### ***Estimates of mineral and hydrocarbon reserves and resources***

The estimating of mineral and hydrocarbon reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors.

There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit or producing from a well may differ materially from the Company's estimates. The exploration of mineral and hydrocarbon rights is speculative in nature and is frequently unsuccessful. The Company's investments may be unable successfully to discover and exploit new reserves to replace those they are mining to ensure the on-going viability of its projects.

Estimated mineral and hydrocarbon reserves or resources may have to be recalculated based on changes in forecast commodity prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation or hydrocarbon, estimated recovery rates or other important factors that influence reserve or resource estimates. Market price fluctuations for metals or oil, increased production costs or reduced recovery rates, or other factors may render any mineral or hydrocarbon reserves of the Group uneconomical or unprofitable to develop at a particular site or sites.

Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Group encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Group's operations.

### ***Operating risks***

The activities of the Group are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. Specifically in relation to the Gold Ridge Project, these risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses. Should any of these risks and hazards affect the Group's exploration, development or mining activities at the Gold Ridge Project, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Group's investments, require the Group to write-down the carrying value of one or more investments, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or

processing facilities, cause death or personal injury and related legal liability; any and all of which may have a material adverse effect on the Group.

It is not always possible to fully insure against such risks as a result of high premiums or other reasons (including those in respect of past mining activities for which the Group was not responsible). Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of its assets and a decline in the value of the Ordinary Shares.

### ***Profitability and capital requirements***

Natural resource project appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Group's future natural resource appraisals and exploration projects may involve unprofitable efforts, either from areas of exploration which ultimately prove not to contain natural resources, or from areas in which a natural resource discovery is made but is not economically recoverable at current or near future market prices when including the costs of development, operation and other costs. In addition, environmental damage could greatly increase the cost of operations, and various operating conditions may adversely and materially affect the levels of production. These conditions include delays in obtaining governmental approvals or consents, delays due to extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions.

While diligent supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal operations cannot be eliminated and may adversely and materially affect the Company's revenues, cashflow, business, results of operations and financial resources and condition.

### ***Exploration, development and production risks***

Mineral and hydrocarbon exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the company's investments will result in profitable commercial operations. The prospects covered by Group's direct investments are at various stages of exploration, and potential investors should understand that mineral and hydrocarbon exploration is a high-risk undertaking. There can be no assurance that exploration of the Gold Ridge Project, or any other permits that the Group may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited. Even if the Group recovers potentially commercial minerals, there is no guarantee that the Group will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

### ***General and political risks and uncertainties relating to operating in remote areas***

The Uranium Project is located in Kyrgyzstan and the Company has been subjected to the risks and uncertainties associated with operating in such an environment. Additionally, Kyrgyzstan is considered to be an emerging market. Investments in emerging markets are often subject to greater risks than investments in more developed markets. Economies in emerging markets such as Kyrgyzstan are in various stages of development or structural reform, and some are subject to rapid fluctuations in their foreign exchange rates, gross domestic product ("**GDP**"), consumer prices and interest rates. The Company's operations may be subject to the risk of sudden changes in regulatory and taxation regimes, political or labour unrest, acts of terrorism or other violence, corruption, inflation or recession. For example, on 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In addition, financial instability in other markets adjacent to Kyrgyzstan, such as other Central Asian countries, may adversely affect the markets in which the Company operates. All of these factors may affect the economic and trading conditions in which the Company operates. These factors could also increase the costs of operating in Kyrgyzstan. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

## **PART B: RISK FACTORS RELATING TO TAXATION**

### ***Taxation of returns from assets located outside of the UK may reduce any net return to investors***

To the extent that the assets, companies or businesses which the Company has acquired or may acquire is or are established outside the UK, it is possible that any return the Company receives from them may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

### ***Changes in tax law and practice may reduce any net returns for investors***

The tax treatment of Shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by investors from a shareholding in the Company.

Investors should not rely on the general guide to taxation set out in this Prospectus and should seek their own specialist advice. The tax rates referred to in this Prospectus are those currently applicable and they are subject to change.

### ***There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner***

It is intended that the Company will structure the Group, including any company or business acquired in an acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders. It is possible that any acquisition structure determined necessary by the Company to complete an acquisition may have adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence.

## **PART C: RISK FACTORS RELATING TO THE ORDINARY SHARES**

### ***The proposed Standard Listing of the Ordinary Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing***

Application will be made for the Ordinary Shares to be admitted to the Standard Listing segment of the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

### ***The Company has a number of outstanding warrants and options which, if exercised and/or converted could have a material dilutive effect on existing Shareholders. The Placing and the Share Exchange will also have a material dilutive effect on existing Shareholders***

The Company has issued and has outstanding 30,333,329 Existing Warrants in connection with previous fundraisings to acquire Ordinary Shares, which are exercisable at a price of 0.6 pence per share. In connection with the Placing and the Share Exchange, the Company will issue 383,333,333 New Ordinary Shares and 390,999,999 New Warrants with an exercise price of 1 pence per share. Under the terms of the Riverfort Agreement the Company is obligated to issue 21,417,419 warrants to Riverfort when the drawn debt facilities are repaid or capitalised. The Company also has outstanding 17,194,030 Options, each entitling the holder to acquire one Ordinary Share at price of 0.67 pence per Ordinary Share. The combined dilutive effect of the exercise of all convertible instruments would have a material dilutive effect upon existing Shareholders and may impact both the future Ordinary Share price and the ability to attract new investors or sources of equity to invest in the Company. If all outstanding warrants (including the New Warrants) and options were exercised, the resultant 459,944,775 Ordinary Shares would represent 48.30% of the Enlarged Share Capital.

### ***No pre-emption rights and indebtedness related liquidity***

Although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares, or incur substantial indebtedness to complete one or more future acquisitions or projects.

Shareholders do not initially have the benefit of pre-emption rights in respect of the issues of future shares, which may be issued to facilitate any acquisitions and for other purposes. In addition, the Company may issue shares or convertible debt securities or incur substantial indebtedness in order to raise capital, which may dilute the interests of Shareholders.

Any issue of Ordinary Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders; or
- cause a change of control ("**Change of Control**") if a substantial number of Ordinary Shares are issued, which may, inter alia:
- result in the resignation or removal of one or more of the Directors;
- in certain circumstances, have the effect of delaying or preventing a Change of Control;
- subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
- adversely affect the market prices of the Company's Ordinary Shares.

If Ordinary Shares, preferred shares or convertible debt securities are issued as consideration for an acquisition or to raise further capital, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issue of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. If the Company were to incur substantial indebtedness in relation to an acquisition or as a method of raising additional capital, this could result in:

- default and foreclosure on the Company's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease an investor's ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

### ***Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable***

Investments in the Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Subscription, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

### ***The Standard Listing of the Ordinary Shares affords investors a lower level of regulatory protection than a Premium Listing***

The Ordinary Shares are admitted to a Standard Listing on the Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

While the Company has a Standard Listing, it is not required to comply with the provisions of, inter alia:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Subscription and Admission.
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List and therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for such acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

**If the Company proposes making a further acquisition and the FCA determines that there is insufficient information in the market about that acquisition or the target, the Ordinary Shares may be suspended from listing or cancelled and may not be readmitted to listing thereafter, which will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them**

Any investment or acquisition by the Company has the potential to be treated as a reverse takeover for the purposes of the Listing Rules depending upon the size of that acquisition. Generally, when a reverse takeover for the purposes of the Listing Rules is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the DTRs; or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction were to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of the transaction on its financial position, the Ordinary Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure Guidance and Transparency Rules and the Listing Rules (for example, where the target business is not itself already subject to a public disclosure regime), and the period during which the Ordinary Shares would be suspended may therefore be significant.

Furthermore, the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company will be required to seek admission to listing as a new applicant either simultaneously with completion of any

such acquisition or as soon thereafter as is possible but there is no guarantee that such admission would be granted.

A suspension or cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation.

**The Company is a small company and so carries consequential financial risk**

The Company is one of the smaller companies listed on the Main Market of the London Stock Exchange. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash and other resources with which to pursue its strategic objectives. Smaller companies have historically often encountered difficulty when seeking to raise significant amounts of capital to develop their businesses and their shares may lack liquidity.

**The Company may be unable or unwilling to transition to a Premium Listing in the future**

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be obtained. If the Company does not obtain a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time following a further acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to obtain a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares.

***Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends until it is generating significant revenue from its operating subsidiaries***

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.



## **PART III**

### **IMPORTANT INFORMATION**

#### **General**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus has been approved by the FCA as a Prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Regulation. No arrangement has however been made with the competent authority in any member states of the European Economic Area ("EEA") (or any other jurisdiction) for the use of this Prospectus as an approved Prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Prospectus may be prohibited in Restricted Jurisdictions and in countries other than those in relation to which notices are given below.

#### **For the attention of all investors**

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, SI Capital or Peterhouse.

Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this Prospectus, nor any subscription made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in this Prospectus is correct as at any time after its date.

In making an investment decision, prospective investors must rely on their own examination of the Company, this Prospectus, including the merits and risks involved. The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

None of the Company, the Directors, SI Capital or Peterhouse or any of their respective representatives is making any representation to any prospective investor in the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws applicable to such prospective investor. Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Ordinary Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective and acquisition, financing and business strategies will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the

provisions of the Company's articles of association (the "**Articles**"), which prospective investors should review. A summary of the Articles is set out in paragraph 4 of *Part XV – Additional Information* of this Prospectus and a copy of the Articles is available for inspection at the Company's registered office, 1 Ely Place, London EC1N 6RY, United Kingdom.

### **Selling restrictions**

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, subscribe or otherwise acquire, in any jurisdiction where it would be unlawful, and in particular, subject to certain limited exceptions is not for release, publication or distribution in whole or in part, directly or indirectly, to US persons (as such term is defined under the Securities Act) or into the United States, any member state of the EEA (other than any member state of the EEA where the Ordinary Shares are lawfully marketed), Australia, Canada, Japan, the Republic of South Africa or any of their territories or possessions.

### **United States**

The Ordinary Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States.

The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended, pursuant to the exemption provided by Section 3(c)(7) thereof, and Investors will not be entitled to the benefits thereof.

The Ordinary Shares have not been approved or disapproved by the SEC, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon the adequacy of this Prospectus. Any representations to the contrary is a criminal offence in the United States.

### **European Economic Area**

In relation to each member state of the EEA (each, a "**Relevant State**"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant State prior to the publication of a Prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Ordinary Shares may be offered to the public in that Relevant State at any time:

- (a) to any legal entity which is a "qualified investor" as defined under Article 2 of the Prospectus Regulation;
  - (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation, subject to obtaining the prior consent of Peterhouse and SI Capital for any such offer; or
  - (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,
- provided that no such offer of the Ordinary Shares shall require the Company, Peterhouse or SI Capital to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors, Peterhouse and SI Capital that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors, Peterhouse and SI Capital that the Ordinary Shares acquired by it have not been acquired on a non-discretionary basis on

behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of Peterhouse and SI Capital has been obtained to each such proposed offer or resale.

The Company, the Directors, Peterhouse and SI Capital and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "**offer to the public**" in relation to the Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares.

### **United Kingdom**

No Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in the UK prior to the publication of a prospectus in relation to the Shares which has been approved by the FCA, except that the Shares may be offered to the public in the UK at any time:

- (a) to any legal entity which is a "qualified investor" as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Peterhouse and SI Capital for any such offer; or
- (c) in any other circumstances falling within section 86 of FSMA.

provided that no such offer of the Ordinary Shares shall require the Company, Peterhouse or SI Capital to publish a prospectus pursuant to section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the UK who acquires any Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors, Peterhouse and SI Capital that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors, Peterhouse and SI Capital that the Ordinary Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of Peterhouse and SI Capital has been obtained to each such proposed offer or resale.

The Company, the Directors, Peterhouse and SI Capital and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to the Ordinary Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares.

### **Australia**

This Prospectus does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission (whether as a disclosure document under the Australian Corporations Act or otherwise). Any offer in Australia of the Ordinary Shares under this Prospectus or otherwise may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Ordinary Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer for on-sale of the Ordinary Shares that is received in Australia within 12 months after their issue by the Company is likely to need prospectus disclosure to investors under Part 6D.2 of the

Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring Ordinary Shares should observe such Australian on-sale restrictions.

The Company is not licensed in Australia to provide financial product advice in relation to the Ordinary Shares. Any advice contained in this Prospectus is general advice only. This Prospectus has been prepared without taking account of any investor's objectives, financial situation or needs, and before making an investment decision on the basis of this Prospectus, investors should consider the appropriateness of the information in this Prospectus, having regard to their own objectives, financial situation and needs. No cooling off period applies to an acquisition of the Ordinary Shares.

## **Canada**

The Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act of 1990 (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), Neither Peterhouse nor SI Capital are required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with Admission.

## **Japan**

The Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Republic of South Africa**

This Prospectus will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and as such, any offer of Ordinary Shares in the Republic of South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of such Act. Furthermore, any offer or sale of the Ordinary Shares shall be subject to compliance with South African exchange control regulations.

## **Information to Distributors**

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, (b) investors who meet the criteria of professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (c) eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note

that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, SI Capital and Peterhouse will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A, respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, *inter alia*: (i) the Company's objective, acquisition, financing and business strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review *Part II – Risk Factors* of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward-looking statements" constitutes a qualification of the working capital statement set out in paragraph 9 of *Part XV – Additional Information* of this Prospectus.

Forward-looking statements contained in this Prospectus apply only as at the date of this Prospectus. Subject to any obligations under the Listing Rules, the Market Abuse Regulation (EU 596/2014) as it forms part of the retained EU law as defined in the European Union (Withdrawal) Act 2018 (the "**Market Abuse Regulation**"), the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

SI Capital and Peterhouse Capital are responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

### **Presentation of reserves and resources**

The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. This Prospectus should be accepted with the understanding that reserves, resources and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material. Unless otherwise stated, all information about mineral reserves and resources, forward-looking production estimates and other geological information has been extracted without material

adjustment from the Competent Person's Report in *Part XVIII – Competent Person's Report* of this Prospectus.

### **Rounding**

Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data have also been rounded. As a result of this rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Presentation of financial information**

Prospective investors should consult their own professional advisers to gain an understanding of the financial information contained in this Prospectus. An overview of the basis for presentation of financial information in this Prospectus is set out below. *Part X – Selected Historical Financial Information on the Company* of this Prospectus presents selected financial information extracted without material adjustment from the audited historical financial information of the Company for the 10 month period ended 31 December 2019 and years ended 28 February 2019, 28 February 2018 and 28 February 2017.

The financial and volume information in this Prospectus, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. The sum of the numbers in a column in a table may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **Market data**

Where information contained in this Prospectus has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Ordinary Shares are admitted to CREST and accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **Transferability**

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

## **International Financial Reporting Standards**

As required by the Companies Act and Article 4 of the European Union ("EU") International Accounting Standards Regulation, the financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU.

## **Incorporation of information by reference**

The contents of the Company's website (<https://www.metalnrg.com/>), unless specifically incorporated by reference, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely on them.

## **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, *inter alia*: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review *Part II – Risk Factors* of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward-looking statements" constitutes a qualification of the working capital statement set out in paragraph 9 of *Part XV – Additional Information* of this Prospectus.

Forward-looking statements contained in this Prospectus apply only as at the date of this Prospectus. Subject to any obligations under the Listing Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

## Currency

Unless otherwise indicated, all references in this Prospectus to:

- **"UK Pounds Sterling", "Pounds Sterling", "pound", "pence", "GBP", "£" or "p"** is to the lawful currency of the UK;
- **"US Dollars", "USD", "US\$", "cents" or "\$"** is to the lawful currency of the US; and
- **"Kyrgyzstani som" or "KGS"** is to the lawful currency of the Kyrgyz Republic.



## **PART IV**

### **EXPECTED TIMETABLE**

Publication of this Prospectus	11 May 2021
Latest time and date for placing commitments under the Placing	10:00 a.m. on 8 March 2021
Admission and commencement of dealings in the New Ordinary Shares	8:00 a.m. on 14 May 2021
Earliest expected date for CREST members' accounts credited in respect of New Ordinary Shares	14 May 2021
Earliest Expected date for share certificates despatched in respect of New Ordinary Shares	21 May 2021

*All references to time in this Prospectus are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.*

## ADMISSION STATISTICS

Number of Existing Ordinary Shares in issue prior to the Placing and the Share Exchange	508,179,803
Total number of New Ordinary Shares issued in connection with the Share Exchange	60,606,061
Total number of New Ordinary Shares issued in connection with the Placing	383,333,333
Number of warrants issued in connection with the Placing	390,999,999
Enlarged Issued Share Capital following the Placing, the issue of the Placing Shares, the issue of the Exchange Shares and Admission	952,119,197
Placing Price per New Ordinary Share	0.6 pence
Number of warrants in issue as at the date of this Prospectus	30,333,329
Number of options in issue as at the date of this Prospectus	17,194,030
 Number of warrants to be issued to Riverfort	 21,417,419
Total number of options and warrants in issue following the Placing	459,944,777
Estimated Net Placing Proceeds receivable by the Company	£1,800,000
Market capitalisation at the Placing Price (1)	£7.63 million
New Ordinary Shares as a percentage of Enlarged Issued Share Capital	46.63%

- (1) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.

## DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00B15FS791
SEDOL code	B15FS79
TIDM	MNRG
LEI	2138003C24H79U5QZH21

## PART V

### DIRECTORS, AGENTS AND ADVISERS

Directors	Christopher Latilla-Campbell Rolf Gerritsen Christian Schaffalitzky Pierpaolo Rocco	<i>(Non-Executive Chairman)</i> <i>(CEO)</i> <i>(Non-Executive Director)</i> <i>(Executive Director Oil &amp; Gas)</i>
Senior Manager	Noel Edward (Windell) Callaghan	<i>(Group Chief Financial Officer)</i>
Company Secretary	City Group plc 1 Ely Place London EC1N 6RY United Kingdom	
Registered Office	1 Ely Place London EC1N 6RY United Kingdom	
Joint Brokers	SI Capital Limited 46 Bridge Street Godalming Surrey GU7 1HL United Kingdom  Peterhouse Capital Limited 80 Cheapside London EC2V 6DZ United Kingdom	
Auditors and Reporting Accountants	Edwards Veeder (UK) Limited 4 Broadgate Broadway Business Park Chadderton Oldham OL9 9XA United Kingdom	
Solicitors to the Company	Orrick Herrington & Sutcliffe (UK) LLP 107 Cheapside London EC2V 6DN United Kingdom	
Registrar	Computershare Investor Services plc The Pavilions Bridgewater Road Bristol BS13 8AE United Kingdom	
Competent Person	Nicholas O'Reilly SRK Exploration Services Limited 12 St Andrews Crescent Cardiff CF10 3DD United Kingdom	

## PART VI

### THE COMPANY'S STRATEGY

#### Introduction

The Company was incorporated in England and Wales on 20 February 2006 as a public company with limited liability under the Companies Act 1985 under the name ZimNRG plc, and re-registered with the name MetalNRG plc on 11 March 2016.

The Company's investing policy is to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation. For those projects that offer substantial growth opportunity, the Company will seek a controlling interest and maintain a medium to long term investment view.

For those projects that offer value creation opportunities, the Company will seek to list such projects on an appropriate stock exchange and crystallize value in the short term. The Investing Policy also allows the Company to consider opportunities in other related sectors if the Board considers that there is an opportunity to generate an attractive return for Shareholders. Such related sectors may include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses.

#### The Divisions

Opportunities are managed in one of the two divisions that the Company has created under the Investing Policy: the Direct Investment Division and the Indirect Investment Division.

The Company's Direct Investment Division takes majority investments, board control and strives to add value to the projects that it invests in. The Company takes an active role in these projects and will drive them along the value chain creating long term Shareholder value.

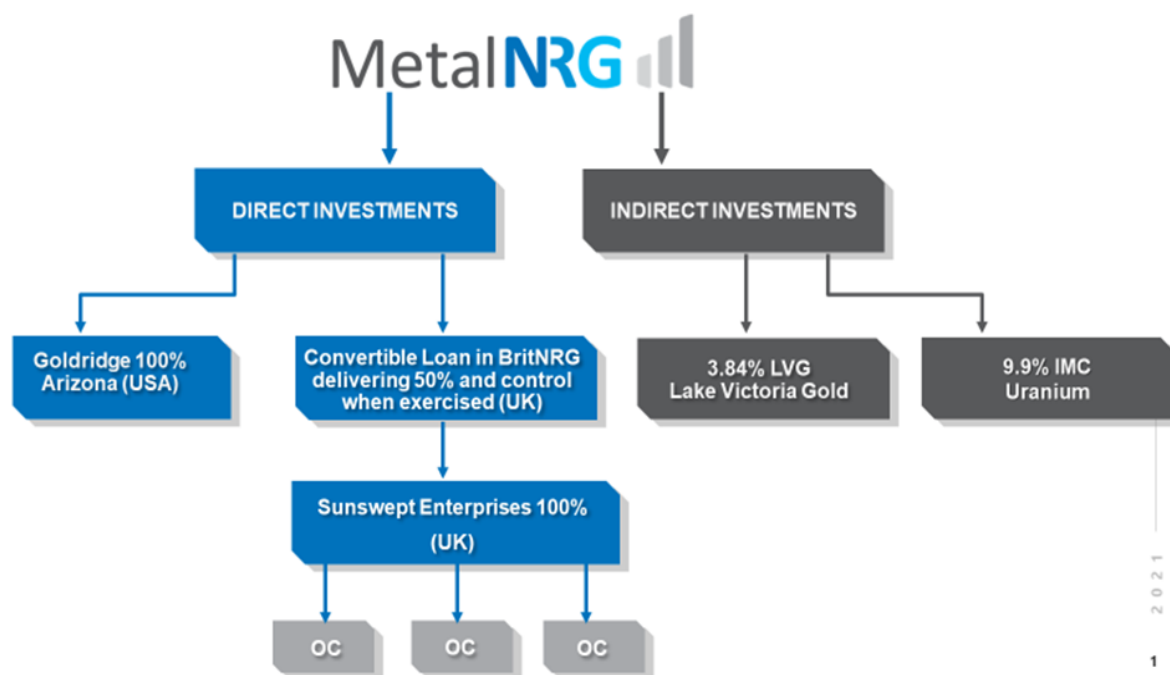
The Company's Indirect Investment Division invests in privately owned projects that can be structured, packaged and then listed on a major stock exchange.

The Company invests directly in certain opportunities and seeks to earn fees, payable in shares, upon delivering pre-determined milestones. The Company may take minority stakes in projects and will be able to trade such shares as it sees fit. The Company recently advised Cobra Resources plc ("**Cobra**") on its IPO and listing on the London Stock Exchange as part of its Indirect Investment Division. In lieu of fees, the Company received 4,166,666 ordinary shares in Cobra (representing approximately 6.2% of the entire issued share capital of Cobra) at the placing price of 1.5 pence per ordinary share, worth approximately £62,500 at market value, these shares were subsequently sold and realised £103,644.

#### Investment Process

The Board conducts initial due diligence appraisals of potential businesses or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist with such reviews. The Company does not have a separate investment manager. Additionally, the Company does not currently intend to fund any investments made under the Investing Policy with debt or other borrowings, but may do so in the future if the Board considers it appropriate.

Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as cash, in order to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems. For a detailed summary of the risks relating to the Company's business, please see *Part II – Risk Factors* of this Prospectus.



## Current Investments

### The Gold Ridge Project

#### Introduction

On 25 July 2018, the Company signed the Gold Ridge Acquisition Agreement with Winston Gold pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Goldridge Holdings, for cash payments totaling US\$219,220 and 21,942,576 Ordinary Shares in the Company at a deemed price of 1.75 pence per share. On 5 November 2018, the Company announced the completion of the Gold Ridge Acquisition Agreement and that 21,942,576 Ordinary Shares had been issued to Winston Gold. Goldridge Holdings holds the interest in the Gold Ridge Project, located in Cochise County in south-eastern Arizona, approximately 85 miles east of Tucson. The Gold Ridge Project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the Texas state border.

The Gold Ridge Project comprises three historic mines; the Gold Ridge Mine, the Gold Prince Mine and the Dives Mine. The mines are located on the lower southern slopes of the Dos Cabezas Mountains. The Gold Ridge Project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims, sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

Arizona is a mining friendly jurisdiction with an established permitting framework. The Fraser Institute 2017 Investment Attractiveness Index ranked Arizona 2nd by US State (after Nevada) and 9th/91 globally.

Set out in *Part XVII – Competent Person’s Report* of this Prospectus is a report prepared by SRK Exploration Services Limited ("**SRK ES**").

The report reviews the history of the three historic mines; the Gold Ridge Mine, the Gold Prince Mine and the Dives Mine and the work carried out to date by the Company.

SRK ES considers, and have recommended, that, based on their most recent review, an initial two stage programme of follow-on work is warranted consisting phased fieldwork of structural and geological mapping and concurrent historical data validation and compilation.

SRK ES recommended that a phase of structural and geological mapping is undertaken to follow and build upon the findings of the 2021 SRK ES field visit. Given the high variation in topographic relief and the rugged nature of the terrain SRK ES have advised that this work would preferentially be conducted early in the year before the Arizona heat makes the work more challenging.

The most recent SRK ES site visit has identified significant differences between quartz vein geometries and orientations within each of the major tectonic blocks. SRK ES consider that further structural mapping should help define the kinematic strain history of the project area and its controls on gold mineralisation which will help focus follow-up areas for grid soil geochemical survey and ground geophysics targeting blind orebodies and lower grade disseminated and stockwork mineralisation. SRK ES also recommend that remote sensing analytical techniques are employed to supplement the mapping and ground survey data.

SRK ES recommend that the preliminary areas of focus based on the preliminary structural assessment would include:

- North of the project area on the claims immediately north of the third party held Mascot Mine where copper, silver and gold were historically mined from skarn type deposits which have been described as disseminations, narrow veins, replacement deposits, and disseminations in fault blocks of contact-metasomatized Palaeozoic limestone in Cretaceous or Tertiary volcanic rocks intruded by Laramide granite plutons (USGS, 2021).
- East of the Project area, the ground to the north-east of the Gold Prince Mine.
- Ground to the west of the Dives Mine.

SRK ES are of the opinion that the first phase of fieldwork should seek to ratify the preliminary areas of focus and delineate further areas for detailed ground assessment.

SRK ES have advised that the concurrent data validation and compilation is essential to recover and assimilate the substantial number of maps and quantity of digital and paper files into a useable archive.

SRK ES have advised that the compilation should include the following:

- Update the geological, drilling, sampling, and 3D digital databases to confirm that all surface and underground sample data is complete and consistent with paper maps in the archive.
- Recover all available assays certificates, drill logs, and sample description and add to the database.
- Rehabilitate the 3D model of the underground workings and integrate the long section stope outline maps
- Update the drill hole database to contain all location, lithology, alteration, mineralisation and structural characteristics from original paper drilling records to include in the Company's 3D model.
- The geochemical database should be rigorously examined for multi-element correlations that might yield pathfinder elemental characteristics for distinguishing endowed and barren veins.

SRK ES have advised that the compilation work should then be the basis for prioritising surface sampling, and through developing an understanding of the mineralised framework from the underground workings (what has been mined?, where? and what does it connect to?), will help develop a more complete understanding of geological structures and their influence on the mineralised zones within the historical mines. This in turn will help with a view to predicting prospective localities for both high grade and lower grade bulk minable gold mineralisation.

The initial phase of surface structural and geological mapping and sampling would lead into ground geophysics with follow-on work phases of drilling to first confirm the target and then delineate the target morphology and potential grade range.

SRK ES advise that it may also be worthwhile confirming the status of several unpatented claims owned by competitors within, or near, the main landholdings as these may be worth acquiring in the future.

SRK ES have compiled a broad scale budget for the initial project, SRK ES considers the budget appropriate and sufficient to achieve the initial project goals of establishing the existence of a compliant resource at Gold Ridge.

The Board have resolved to follow the recommendations of SRK ES and have approved a budget in line with the proposals set out by SRK ES (with appropriate contingencies), this is reflected in the commentary concerning use of the Net Placing Proceeds in this Prospectus.

## **BritNRG – Oil and Gas**

On 9 October 2020 the Company announced that its investee company, BritNRG, had entered into a sale and purchase agreement to acquire the entire issued share capital of Sunswept with Mr. Rupert Lycett-Green to acquire the entire issued share capital of Sunswept and its subsidiaries. Completion occurred on 13 January after the satisfaction of certain conditions including confirmation of no objection to the change of control of Sunswept from the UK Oil and Gas Authority ("**OGA**").

The gross transaction cost for Sunswept's issued share capital is £1,900,000; however, the net purchase price is expected to be circa £150,000 after settlement of a director loan and associated corporation tax consolidation.

BritNRG is an investment held by MetalNRG and is focused on energy opportunities. The investment in BritNRG via MetalNRG's convertible loan note and the private investor group will be in aggregate £750,000 (of which £450,000 is attributable to MetalNRG), which will enable BritNRG to meet purchase commitments and all its financial requirements to maintain the current operations and priority interventions, so as to keep the business running on a stable footing for the next 18 months at least. The convertible loan note entered into by MetalNRG and BritNRG is thus for a total amount of £450,000 payable in 3 tranches. The first tranche of £25,000 was paid upon signing of the heads of terms, as announced to the market previously, the second tranche of £150,000 was paid on 13 January 2021 and the final tranche of £275,000 is to be out of the proceeds of the Placing.

MetalNRG is party to a conditional shareholders agreement on 13 January 2020 which provides that upon MetalNRG converting the loan notes which it holds, BritNRG will be owned 50% by MetalNRG and 50% by international private investors, who form part of BritNRG's board of four directors and provide an experienced management team to the company. MetalNRG will have a casting vote at Board level in case of tied voting.

At current production levels, Sunswept is expected to be net cashflow positive at Brent prices above \$20 per barrel, substantially below the current Brent market prices.

The acquisition of Sunswept and its portfolio of oil and gas exploration and production licences gives the BritNRG the possibility to apply modern seismic surveys, geophysical analysis as well as advanced reservoir study methods not applied by the previous operator, which may lead to further resource development and appraisal opportunities.

Sunswept's subsidiaries have interests in the following UK onshore licences: PL199 (95%, Operator); PL215 (50%); EXL141 (100%, Operator); EXL294 (100%, Operator); PEDL090 (50%, Operator); and PEDL209 (28%).

The producing licences were first commissioned and operated by BP in the mid-1980s. The UK Midlands basin activity goes back to the pre-WWII era.

The portfolio includes three producing licences and three exploration permits in Lincolnshire. The producing assets are: The Whisby Field, currently producing from: Whisby #4 well at c. 50bbls/day, Whisby #6 well at c. 40bbls/day, which was temporarily shut in for several months but is now in the process recommissioning after a successful wax removal workover, executed during April 2021; the Reepham Field, with one well currently shut-in; and the Newton on Trent Field, with one well, also currently shut-in.

Whisby and Newton are mature assets with potential for further development.

### **Whisby**

Whisby production has been consistently stable, with virtually no production or pressure decline observed at the Whisby #4 well for over the last four years. The reinterpretation of the available subsurface information has identified an opportunity for drilling of an additional, low-risk producer associated with high probability of accessing economic reserves. This additional producer would be drilled by side-tracking one of the two suspended wells within the existing Whisby Site, significantly reducing the cost and timeframe for the operation. Provided local council approval is obtained on schedule, the new Whisby-7 well is planned for drilling in Q4 2021.

The current forecast production life of Whisby is expected to extend to 2035. The current term of the licence PL-199 I terminates on 1st November 2021 and a process of renewal for a further 10-years term is underway with the OGA. An updated field development plan ("**FDP**") was been submitted to the OGA

in late April 2021. The updated FDP will incorporate existing field history, production forecasts as well as development drilling plans for the remainder of the field.

Reserves for the proposed new well Whisby-7, required to access oil in the undrained fault block south of well Whisby-6, have been estimated using STOIP calculated by Merlin Energy Resources Limited for the fault block, using a range of recovery factors based on the well performance of historic and current wells compared with estimated STOIP drained by each well. The reserves estimated are shown below in Table 1.

Well	Category	Ultimate Recovery (MStb)			Production End Feb 2021 (MStb)	Gross Remaining Reserves (MStb)			Net* Remaining Reserves (MStb)		
		1P	2P	3P		1P	2P	3P	1P	2P	3P
Whisby-4	Developed Producing	670	760	895	581	89	180	314	30	60	104
Whisby-6	Developed not producing	65	76	108	42	23	34	66	3	5	48
Whisby-7	Undeveloped	95	127	171	0	95	127	171	95	127	171

**Table 1 - Reserves for the Whisby Field as of 28th February 2021**

*\*Under the terms of the farm-in agreements entered by Buckland Park Exploration Limited (a wholly owned subsidiary of Sunswep) with each of Terrain Energy Limited and Europa Oil & Gas Limited, for the drilling of the Wells Whisby-4 and Whisby-6, BritNRG pays, after the agreed overheads and operating costs deductions: i) 65% of the net revenue of Whisby-4, to the farm-in partner Europa Oil & Gas Limited, a subsidiary of Europa Energy Plc), and ii) 85% of the net revenue of Whisby-6 to Terrain Energy PLC, until the well drilling cost has been repaid from net production revenues. The interests of BritNRG in the wells Whisby-4 and Whisby-6 net production are thus at present respectively 35% and 15% of BritNRG's interest in Whisby pending the discharge of well drilling costs.*

### **Newton on Trent**

The current Newton licence term expires in March 2029 and it is assumed, that the licence will be extended by OGA on the making of an application with a production plan for the remainder of the field life to ensure production of the remaining reserves.

Whilst 3D seismic was carried out post-well at Newton; however, the data was not extensively examined by the previous operator. BritNRG's interpretation and review of that data indicates the potential for further development. In particular, it would appear to be the case that the Newton #1 well, which produced some 50,000 bbls of oil before watering out, was drilled through oil and water legs of Carboiferous Crawshaw and Longshaw horizons. Review of the seismic data shows that Newton #1 was drilled downdip of a significant four-way dip closure and most of the field STOIP lies up dip of the well.

Our remapping of the 3D seismic data identified that the previous well path missed the main crestal formations and intercepted the oil/water contact and revealed the potential for undeveloped reserves for Newton within the 0.5-1.0MMbbls range.

The analysis work was based on processing/interpretation of seismic data, well geological/petrophysical results and analysis of field fluid properties. Recovery has been estimated based on analogous regional production records. The estimated reserves are based on a production forecast extending to up to 12 years of production, assumed as economic cut off for the asset.

The summation is probabilistic. Due to pending regulatory approval of the Newton well site the reserves remain as contingent resources. The results of this analysis are shown below in Table 2.



Zone	STOIIP (MStb)			Ultimate Recovery (MStb)			Cuml Prodn (Mstb)	Remaining Reserves (MStb)		
	1P	2P	3P	1P	2P	3P		1P	2P	3P
Crawshaw	1899	2078	2835	410	548	714				
Longshaw	585	714	868	135	188	256				
Probabilistic Sum	2572	2805	3050	594	742	919	49.6	544	692	869

**Table 2 - Reserves for the Newton Field as of 28th February 2021**

### **Reepham**

Reepham has produced poorly and initial review indicates limited potential but will be subject to further review.

Reepham #1 produced some 6,000 bbls of oil before watering out, however, Reepham does give potential access to the Greatwell prospect which is a potentially attractive target but would require multiple producers is adequately produce the majority of the reserves.

The Reepham resources area is at present considered to be merely speculative, with data mainly from the nearby Greetwell prospect, and based on the former operators' estimates and which will require further geophysical geological and engineering analysis prior to a drilling/development proposal.

All produced fluids are currently separated and treated processed at a central Whisby Site processing plant. Stabilised oil is then transported by tanker for sale at the Immingham dock and thereafter to the Phillips 66 Chevron's Humber Refinery.

The information set out on the Reserves and Resources of Sunswept and its subsidiaries has been compiled and reviewed at the request, and on behalf of, Metal NRG, by Dr Michael Clancy, Reservoir Engineering Director of SRC Strategic Reservoir Consultants Ltd, a graduate in Petroleum Engineering and in Energy Law and a member of the Society of Petroleum Engineers with over 30 years of petroleum engineering experience.

The further sums due under the terms of the convertible loan note in the amount of £150,000 from the Company to BritNRG will be applied, in part in financing the development plan outlined above. The Company will provide up to £350,000 of additional finance from the Net Placing Proceeds to further invest in BritNRG, the form of this additional investment is to be agreed by the parties and may take the form of additional debt or be combined with conversion of the existing convertible loan notes; the form of such additional finance is yet to be agreed between the parties and does not constitute a firm commitment to any specific development activity at the current time and will dependent on the outcomes of progress of those aspects of the project work program identified above.

### **EQTEC PLC**

On 21 March 2021, the Company announced that it had signed the Framework Partnership Agreement with EQTEC PLC.

EQTEC is a globally recognised expert specialising in advanced gasification with the overarching proposition of taking the carbon rich solid product of waste, thermochemically converting into power, hydrogen and high value fuels, which are then used in one of three broad applications.

EQTEC designs and supplies advanced gasification plants with a high efficiency product offering that it is modular and scalable from 1 MWe to 30 MWe.

A key advantage is the versatility of the EQTEC technology to process over 50 different types of feedstock, including municipal waste, agricultural waste, biomass and plastics. EQTEC's solutions produce a uniquely pure high-quality synthesis gas (syngas), that is capable of being used for the widest applications in the generation of clean energy (power and heat), hydrogen, biofuels and more. Proprietary technology design, when combined with high-performance deployment and maintenance capabilities, mitigate the risks when using any third-party equipment. Technology integration capabilities enable EQTEC to lead collaborative project ecosystems that build sustainable, waste to clean energy infrastructure.

EQTEC PLC is quoted on AIM (ticker: EQT) and the London Stock Exchange awarded EQTEC PLC the Green Economy Mark that recognises listed companies with 50% or more of revenues from environmental/green solutions.

The Board sees the investment in EQTEC PLC as a way to gain exposure to the growing clean energy sector by partnering with an established player in the market and to take advantage of the years of experience that EQTEC PLC has in the sector, with the mutual share exchange providing a stable investment with growth opportunity and access to a collaboration opportunity with an established and respected brand.

The Company has established a new wholly owned subsidiary, MetalNRG ECO Limited to execute any projects in collaboration with EQTEC PLC. The Framework Partnership Agreement outlines a set of broad principles for the collaboration which include:

- MetalNRG to establish a new subsidiary (MetalNRG ECO Limited) to focus exclusively on the development of waste to energy projects in the UK and Europe;
- the parties to collaborate on identifying, developing and delivering projects with a focus on projects requiring funding in the £5 million to £10 million range, with a short build to operating timeframe and capable of generating an internal rate of return of not less than 11%; and
- such projects to identified as would be suitable for EQTEC to act as technical advisor and technology supplier to the projects.

## **The Uranium Project**

### **Introduction**

On 16 August 2018, the Company announced that it had signed the Option Agreement with IMC to acquire a majority interest in the Uranium Project in the Kyrgyz Republic. The Uranium Project is currently operated by IMC via its subsidiary Closed Joint Stock Company IMC Invest ("**CJSC IMC**"). CJSC IMC is the holder of the Mining Licence. Under the Option Agreement the Company could own 51% of the issued share capital in Newco and IMC would own the remaining 49%. On 5 December 2018, the Company entered into the Amended Option Agreement to restructure the cash payments paid by the Company in order to progress the application of the Mining Licence.

On 22 January 2019, the State Committee for Reserves granted the Company's application to convert the Exploration Licence, which expired on 31 December 2018, into the Mining Licence.

However, on 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of a ban on the exploration for and production of Uranium (the "**Uranium Ban**"). The government of Kyrgyzstan was instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban. Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder. Subsequently the Company provided an additional £50,000 of finance to IMC for a 9.9% equity interest and a three times multiple return on capital should IMC reach a financial settlement with the Kyrgystan government.

The Company remains confident that a satisfactory outcome will be achieved with the government of Kyrgyzstan and has not exercised its termination rights whilst a constructive dialogue is continuing.

### **Lake Victoria Gold Limited**

In July 2020 the Company entered into an agreement with Lake Victoria Gold Limited ("**LVG**") and supplied certain cash advances to LVG totaling US\$332,150 to cover in country expenses in relation to the LVG Project. The agreement provided that in the event that the acquisition of LVG did not proceed, that these advances would be converted into equity in LVG. As a result, on 29 January 2021, when the Company elected to abandon the transaction, the cash advances were converted into 4,344,389 LVG shares, giving MetalNRG an interest in the equity share capital of 3.8%. The basis of the underlying

conversion ratio used a pre-conversion valuation of LVG at US\$10,000,000 in accordance with the terms of the agreement.

### **Capital and returns management**

The Company has raised Gross Placing Proceeds of £2,300,000, with approximately £1,800,000 representing the Net Placing Proceeds. The Directors do not expect that further equity capital raisings will be required by the Company for at least the next 24 months.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy set out below.

In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. A resolution of Shareholders, requiring not less than three quarters of the votes cast ("**Special Resolution**"), will be required to voluntarily wind-up the Company.

### **Dividend policy**

The Company currently intends to retain earnings, if any, for use in its future business operations and expansion. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

## PART VII

### THE BOARD OF DIRECTORS AND SENIOR MANAGER

#### The Directors

Details of the Directors are listed below.

#### **Christopher Latilla-Campbell – *Non-Executive Chairman* (age 60)**

Christopher Latilla-Campbell is a member of the Institute of Chartered Accountants in Zimbabwe. He has held a number of directorships including on a group listed in Luxembourg and Johannesburg with Southern African investments in mining, agriculture and manufacturing. Christopher was also part of the Afpenn Group that established the existence of Coalbed Methane in Zimbabwe. He is also a member of the Management Committee of Golden Valley Mine in Zimbabwe and sits on a number of family boards and Trusts. Christopher was a founding shareholder and Director of MetalNRG plc.

#### **Rolf Gerritsen – *CEO* (age 58)**

Rolf Gerritsen is an entrepreneurial executive, with outstanding strategic, organisational, commercial and financial skills with an exceptional delivery record developed over the last 30 years with specific focus on the Natural Resources sector. Core strengths included strategy development, strategy implementation and sourcing capital for growth companies, special situations and restructuring. Proven ability to develop creative solutions to complex business issues. International experience with 4 languages spoken fluently, worked in Europe, The USA, Africa, Australia, Middle East, the Far East and South America. Over the last few years Rolf has been working with Boards of listed and private mining companies developing, designing and implementing growth strategies while ensuring the appropriate capital is sourced to deliver the plan.

#### **Christian Schaffalitzky – *Non-Executive Director* (age 67)**

Christian Schaffalitzky, EurGeol, FIMMM, PGeo, CEng. With over 40 years' experience in minerals exploration working for companies and also as founder and principal of the geological consultancy CSA. Christian Schaffalitzky co-established Ivernica West PLC, where he led the exploration, discovery and development of the Lisheen zinc deposit in Ireland. Currently he is active in precious and base metals minerals exploration and development in Russia and the former Soviet Union as Managing Director of Eurasia Mining plc (LON:EUA) . He is also chairman of Kibo Energy plc (LON:KIBO).

#### **Pierpaolo Rocco – *Executive Director Oil & Gas* (aged 49)**

Pierpaolo Rocco is an oil and gas executive with over 20 years' experience in asset development activity and a successful track record of leading high performing teams to safe and profitable outcomes in both small-cap and supermajor organisations. His experience includes executive positions for independent operators and large-scale project management and commercial roles for Total, ENI, Shell and several tier-one contractors. Pierpaolo holds an MBA in Oil and Gas Management from the Robert Gordon University and an MEng from the 'Scuola Politecnica e delle Scienze di Base' of the University of Naples 'Federico II'.

#### **Senior Management**

The Company's current senior management (the "**Senior Manager**"), in addition to the Directors listed above, is as follows:

#### **Noel (Windell) Callaghan– *Chief Financial Officer*\* (aged 46)**

Windell is an experienced accountant and his company Cindele Ltd was appointed as the accountant of the Company in 2018. He is the Chief Financial Officer of the MNRG group as of August 2020. He is a finance expert with strong commercial understanding and cross-sector experience. Windell brings experience in improving established or implementing new finance functions by systematically setting up, streamlining and maintaining processes and systems. He is a member of the Institute of Financial Accountants.

\* Denotes non-Board level appointment

## **Director remuneration**

Only Rolf Gerritsen and Pierpaolo Rocco, as executive directors, and Noel (Windell) Callaghan, as a member of executive management, are currently paid a salary by the Company. Details of their compensation and terms of employment are set out in paragraph 17 of *Part XV – Additional Information* of this Prospectus.

The non-executive directors of the Company do not have service agreements but are appointed by letters of appointment. Each non-executive director's term of office runs for an initial period of one year and thereafter, with the approval of the Board, will continue subject to periodic retirement and re-election or termination or retirement in accordance with the terms of the letters of appointment.

The Company has established a workplace pension scheme but it does not presently have any employees qualifying under the auto-enrolment pension rules who have not opted out of the scheme. It does not currently pay pension amounts in relation to Directors' remuneration. The Company has not paid out any excess retirement benefits to any Directors or past Directors. Each Director may be paid his reasonable travelling, hotel and other expenses properly and reasonably incurred by him in attending and returning from meetings of the Directors or any committee of the Directors or meetings of shareholders or debenture holders of the Company or otherwise in connection with the business of the Company or the discharge of his duties as a Director. Any Director who, by request, goes to reside abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profit or otherwise) as the Directors may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other article

No amounts have been set aside by the Company to provide for pension, retirement or similar benefits.

## **Strategic decisions**

### ***Members and responsibility***

The Directors are responsible for carrying out the Company's objectives, implementing its business strategy in relation to the development of its product candidates and conducting the Company's overall supervision. The Board will provide leadership within a framework of prudent and effective controls. The Board will establish the corporate governance values of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

### ***Frequency of meetings***

The Board holds quarterly meetings and will hold additional meetings as and when required. The expectation is that this will not result in more than four meetings of the Board each year.

## **Corporate governance**

The Company recognises the importance of, and is committed to, high standards of corporate governance. At the date of this Prospectus, while the Company is not under an obligation to adopt a governance code on a 'comply or explain' basis given its status as a standard listed company on the Main Market for listed securities of the London Stock Exchange, the Directors have opted to observe the requirements of the UK Corporate Governance Code to the extent they consider appropriate in light of the Company's size, stage of development and resources. Compliance with the provisions of the UK Corporate Governance Code is being undertaken on a voluntary basis, and the FCA will not have the authority to monitor the Company's voluntary compliance with the UK Corporate Governance Code or to impose sanctions in respect of any breaches.

As at the date of this Prospectus, the Company is, and at the date of Admission will be, in compliance with the UK Corporate Governance Code, save that given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between the Chair and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director. The Company will hold Board meetings periodically, and at least four times a year, as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Company, setting the strategic direction of the Company, establishing the policies of the Company and appraising the making of all material investments. It will be the Board's responsibility to oversee the financial position of the Company and monitor the business

and affairs of the Company on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Company's approach to risk management. The Company has also established an audit committee of the Board (the "Audit Committee") with formally delegated duties and responsibilities.

The Audit Committee, which will comprise Christopher Latilla-Campbell as chair and Christian Schaffalitzky will meet at least twice a year. The Audit Committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Company has adopted a share dealing code regulating trading in the Company's shares for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code

## PART VIII

### THE MARKET AND MARKET TRENDS

*The following information relating to the gold market has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organisations, together with the Company's understanding of this market. The industry information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

#### (A) Gold

Gold is a precious metal. It has emotional, cultural and financial value and different people across the globe buy gold for different reasons, often influenced by a range of national socio-cultural factors, local market conditions and wider macro-economic drivers. The history of gold is long connected with money, but gold relinquished this role in developed economies after the outbreak of the Second World War. At the end of the war, the Bretton Woods monetary system, a regime of fixed exchange rates, was created. This system broke down in 1971 when the US unilaterally ended its gold standard, which set the convertibility of gold and the dollar to US\$35 per ounce.

#### Gold price

Although the market for physical gold is distributed globally, most trades are conducted through London on an over-the-counter basis in 400oz gold bars with a purity of 995 parts per 1,000 or higher. The gold price is fixed twice daily in London (at 10:30 a.m. and 3:00 p.m.) by prices derived from five fixing members of the London Bullion Market Association. These price fixings are used as a key indicator for gold market participations around the world.

Historically, the price of gold has been significantly affected by macroeconomic factors and these drivers can largely be delineated as wealth and economic expansion, market risk and uncertainty, opportunity cost and momentum and positioning.



Gold has been one of the best performing commodities in recent months. Gold Prices have increased by about 16% over the last one year to over \$1,420 per ounce in July 2019, whereas the increase has been close to 20% since its recent low in September 2018. Notwithstanding the adverse impact of the US-China trade war, the increase in gold price is led by increased buying from major central banks and higher retail participation in the face of rising economic uncertainty. However, gold has had its fair share of volatility in the last 50 years, as well.

Historically, global annual average gold prices have remained below \$700 per ounce from the years 1970 to 2007. During this time, gold prices witnessed a spike in 1980 to touch \$850/ounce (annual

average was \$615 that year), led by high inflation because of strong oil prices, Soviet intervention in Afghanistan, and the impact of the Iranian revolution, which prompted investors to move into the metal.

This period was followed by a subdued pricing environment until the world was hit by the 2008 global financial crisis, followed by a slowdown in the Eurozone. The double boost increased the value of gold as a hedge instrument, leading to rise in global price levels, which have stayed over \$1,100/ounce since 2010. Annual average gold price was the highest in 2012, due to buying from major central banks to diversify their asset base, high jewelry demand, quantitative easing, and rising inflation.

Gold prices have largely maintained their inverse relation with production output from 1970 to 2019.

However, after 2012, prices decreased sharply despite production levels seeing only a marginal improvement, mainly due to a pick up in the US economy. Over the last two years, gold prices have seen a lot of volatility irrespective of the trend in global production, due to the US-China trade tensions.

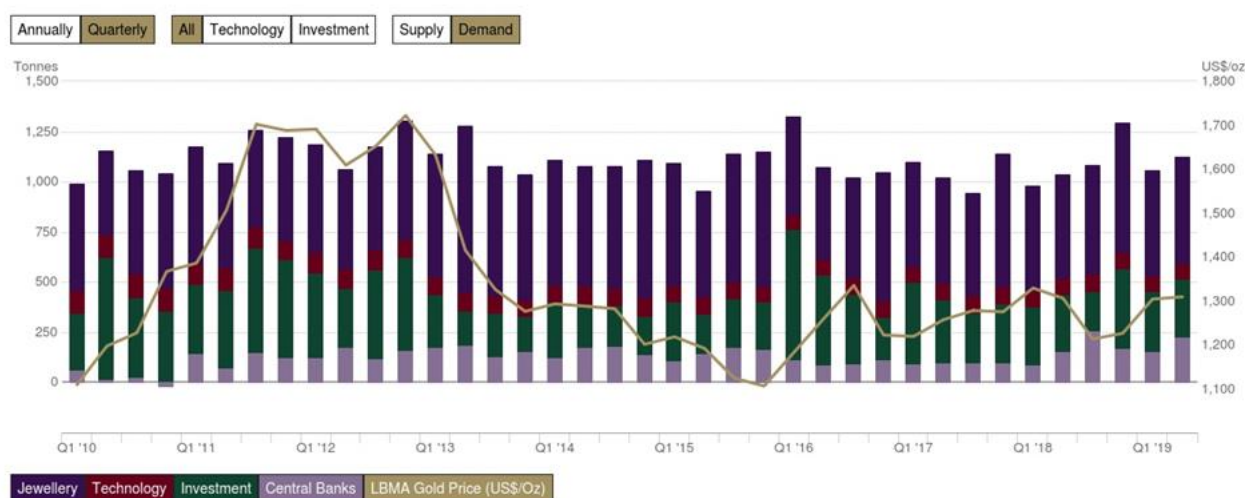
Post the crisis of 2008, higher demand and prices for gold led major players to explore new mines which led to increased global production in the last 10 years.

## Supply and Demand Overview

Central bank buying and healthy ETF inflows were the driving forces behind gold demand throughout the first half of 2019. Growth in H1 jewellery demand was largely the product of a more positive environment for Indian consumers. Shifts in bar and coin investment were very much price-related: as the gold price powered its way to multi-year highs, profit-taking kicked in and retail investment all but dried up. The technology sector reduced its usage of gold due to challenging global conditions, although the outlook is for this element of demand to establish something of a floor over coming quarters. Solid growth in both mine production and recycling fed into a 2% increase in total H1 gold supply.

**GOLDHUB**

## Supply and demand statistics



Data as of 30 June, 2019

Sources: ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council;

## Jewellery demand

Gold jewellery represents the largest source of annual demand for gold per sector. This has declined over recent decades, but it still accounts for around 50% of total demand.

India and China are by far the largest markets, in volume terms, together accounting for over 50% of current global gold demand. The Asian and Middle Eastern markets are dominated by demand for purer, high-caratage gold.

Jewellery demand is driven primarily by the adornment market; it fell by a single tonne in 2018 to 2,200t, following the first increase in demand in 2017 (+ 4%) since 2013. Growth in China (the world's largest market at 673t) and the US – despite a slowdown in Q4 2018, largely driven by the trade war between the two countries and the reflexive economic slowdown – were the main drivers. The Q4 2018 slowdown was furthered by a sharp spike in the local gold price in China. However, a strong recovery in India's



jewellery market pushed demand in Q2 2019 up 12% to 168.8t. A busy wedding season and healthy festival sales boosted demand, before the June 2019 price rise brought it to a virtual standstill. Indian demand drove global jewellery demand 2% higher y-o-y to 531.7t.

### **Investment demand**

Gold has unique properties as an asset class. Modest allocations to gold can be proven to protect and enhance the performance of an investment portfolio. Even so, globally, gold still only makes up less than 1% of investment portfolios. However, this is changing and investors of all sorts are coming to accept gold as a reliable, tangible long-term store of value that has moved independently of other assets. The annual volume of gold bought by investors has increased by at least 235% over the last three decades.

A number of liquid and readily accessible gold investment vehicles, including ETFs, have facilitated further investment in gold in recent years, in addition to direct physical bullion purchases.

Gold's 'safe haven' appeal had been boosted by several factors in recent years – including the sovereign debt crisis in parts of Europe, quantitative easing, most notably in the United States and Japan, and volatility in the equity markets in Q4 2018, which has kept the opportunity cost of holding gold, a non-yielding asset, comparatively low.

However, inflows into gold-backed ETFs and similar products in 2018 were 69t (equivalent to US\$3.4 billion), 67% lower than the 206t inflows in 2017. Europe was the only region to see net tonnage growth in 2018, due to the widespread regional political uncertainty and negative yields on both sovereign debt and highly-rated corporate bonds, underpinning investment in European-listed funds throughout 2018. Notwithstanding, North American-listed funds represented 50% of global holdings in gold-backed ETFs in 2018, with collective assets under management of 1,230t (US\$50.7 billion).

This position reversed markedly in 2019 as holdings of gold-backed ETFs grew 67.2t in Q2 2019 to a six-year high of 2,548t. The main factors driving inflows into the sector were continued geopolitical instability, expectation of lower interest rates, and the rallying gold price in June 2019.

### **Central bank demand**

The past decade has seen a fundamental shift in central banks' behaviour with respect to gold, prompted by reappraisal of its role and relevance after the 2008 financial crisis. Emerging market central banks have increased their official gold purchasing, while European banks have ceased selling, and the sector now represents a significant source of annual demand for gold. Central Banks sold 7,853 tonnes of gold between 1987 and 2009; between 2010 and 2016 they bought 3,297 tonnes.

2018 was the ninth consecutive year of central banks' net purchases, with demand for gold rising to a multi-decade high of 651t. Demand increased 74% on the 2017 figure (375t), and was the highest level of annual net purchases since the suspension of dollar convertibility into gold in 1971, and the second highest annual total on record (second only to the 1,404t demanded in 1967).

This trend continued into 2019 with Central banks buying 224.4t of gold in Q2 2019. This took H1 2019 buying to 374.1t – the largest net H1 increase in global gold reserves in our 19-year quarterly data series. Buying was again spread across a diverse range of – largely emerging market – countries.

Historically, central banks, other governmental agencies and multilateral institutions have retained gold as a strategic asset. Heightened geopolitical and economic uncertainty throughout 2018, and continuing through 2019, increasingly drove central banks to diversify their reserves and refocus their attention on the objective of investing in comparatively safe and liquid assets.

Russia, Turkey and Kazakhstan were key drivers in this growth; however, their share fell from 94% in 2017 to 58% in 2018. Notably, many European central banks, including Hungary and Poland, acquired significant quantities of gold in 2018, while India, Mongolia and Iraq also drove demand.

### **Technology Demand**

Gold has long been central to innovations in electronics. Today the unique properties of gold and the advent of 'nanotechnology' are driving new uses in medicine, engineering and environmental management. Gold can be used to build highly-targeted methods for delivering drugs into the human body, to create conducting plastics and specialised pigments, or advanced catalysts that can purify water or air. It has also been used in dentistry for centuries.

Although most technological applications use low volumes of gold, their impacts are very diverse and wide-reaching.

Gold is extensively used in the electronics industry, most notably for gold bonding wire and gold-plated contacts and connectors. In 2018, the volume of gold being applied in the technology sectors saw marginal growth, although this was tempered by a slowdown in Q4 2018. Nevertheless, demand reached its highest annual amount since 2014 at 335t, driven by a strong demand for consumer electronics and ongoing electrification in the automotive sector.

The Q4 2018 slowdown was largely driven by a slowdown in smartphone sales – acutely illustrated by Apple's 15% y-o-y fall in iPhone sales in Q4 2018 – and delays in the rollout of the 5G network.

The balance of demand is driven by other industrial applications which include the use of thin gold coatings on table and enamelware for decorative purposes, and on glass used in the construction and aerospace industries to reflect infra-red radiation.

Dentistry, a historically significant source of demand – where gold is generally alloyed with other noble metals and with base metals for inlay and onlay fillings, crown and bridgework and porcelain veneered restorations – saw a 6% y-o-y decline.

### **Retail investment**

Annual bar and coin demand was 1,090t in 2018, a 4% increase on 2017. Demand, driven by a lower gold price in Q3 2018 and heightened equity market volatility in Q4 2018, made up for a comparatively flat H1 2018. The official coin market saw annual demand increase by 26% to 236t, the second highest level on record, while bar sales were steady at 782t.

As with 2017, China was the world's largest bar and coin market in 2018, with 304t of investment. This was consistent with demand in 2017, at 306t. China's market finished stronger than it started, with demand peaking in Q3 2018. The global increase in demand was in spite of a 4% fall in demand in India, the world's second largest bar and coin market. This was in part driven by a significant increase in demand for coins in Iran.

Bar and coin investment in Q2 2019 sank 12% to 218.6t. Combined with the soft Q1 2019 number, the H1 2019 total ended at a ten-year low of 476.9t. A 29% y-o-y drop in China accounted for much of the global Q2 2019 decline.

### **Supply**

Sources of gold supply include mine production and the recycling or mobilising of existing above-ground stocks. Governmental sector sales, which include sales of gold by central banks, also supply gold to the marketplace.

The annual supply of gold has averaged around 4,000t over the last 10 years, supplied by a fluctuating mix of mined gold, scrap recovery and central bank supply, with more than half of the global gold supply coming from mined gold.

South Africa's position as the dominant gold producing country for a large part of the 20th century (contributing almost 70% of the world's gold production in the 1970s) has been eroded over the last two decades. Based on data for the key sources of gold production for the last 15 years, gold was primarily contributed by developed countries such as the US and Australia, while South Africa's share decreased further from 14% in 2004 to 4% in 2018.

Post the financial crisis of 2008, China has seized the opportunity and steadily increased its dominance, with the country's share in global gold production increasing from about 10%, to over 15% in 2016. However, the weakness in the Chinese economy in the last two years saw China cede a part of its production share to other countries such as Peru. In 2018, China accounted for 12% of total global gold production, while Asia as a whole produced 19% of all newly-mined gold. Central and South America produced around 16% of the total, with North America supplying around 15%, and approximately 23% of production came from Africa, and 14% from the Commonwealth of Independent States.

The total supply of gold marginally grew by 1% in 2018, up from 4,447t in 2017, to 4,490t. Growth was supported by similar y-o-y increases in mine production and recycled gold. 2018 was also the second consecutive year of modest net producer de-hedging.

Gold supply grew 6% in Q2 2019 to 1,186.7t. A record 882.6t for Q2 2019 gold mine production and a 9% jump in recycling to 314.6t – boosted by the sharp June 2019 gold price rally – led the growth in supply. H1 2019 supply reached 2,323.9t – the highest since 2016.

Scrap recovery made up around 26% of the annual total supply of gold in 2018; as gold is virtually indestructible, it is recoverable from most of its prior uses and capable of being melted down, re-refined and reused, meaning nearly all the gold that was ever mined theoretically still exists. Recycled gold therefore plays an important part in the dynamics of the gold market. While gold mine production is relatively inelastic, the gold recycling industry provides an easily-traded supply of gold when it is needed, helping to stabilise the gold price.

### **Mine production and cost**

Mine production includes supply from both primary and secondary deposits, where gold is recovered as a by-product of other mining activities. Mined gold totalled 3,347t in 2018, a record high, rising by 1% from the 3,319t mined in 2017. This trend continued into 2019 where gold supply grew 6% in Q2 2019 to 1,186.7t. A record 882.6t for Q2 2019 gold mine production and a 9% jump in recycling to 314.6t – boosted by the sharp June 2019 gold price rally – led the growth in supply. H1 2019 supply reached 2,323.9t – the highest since 2016.

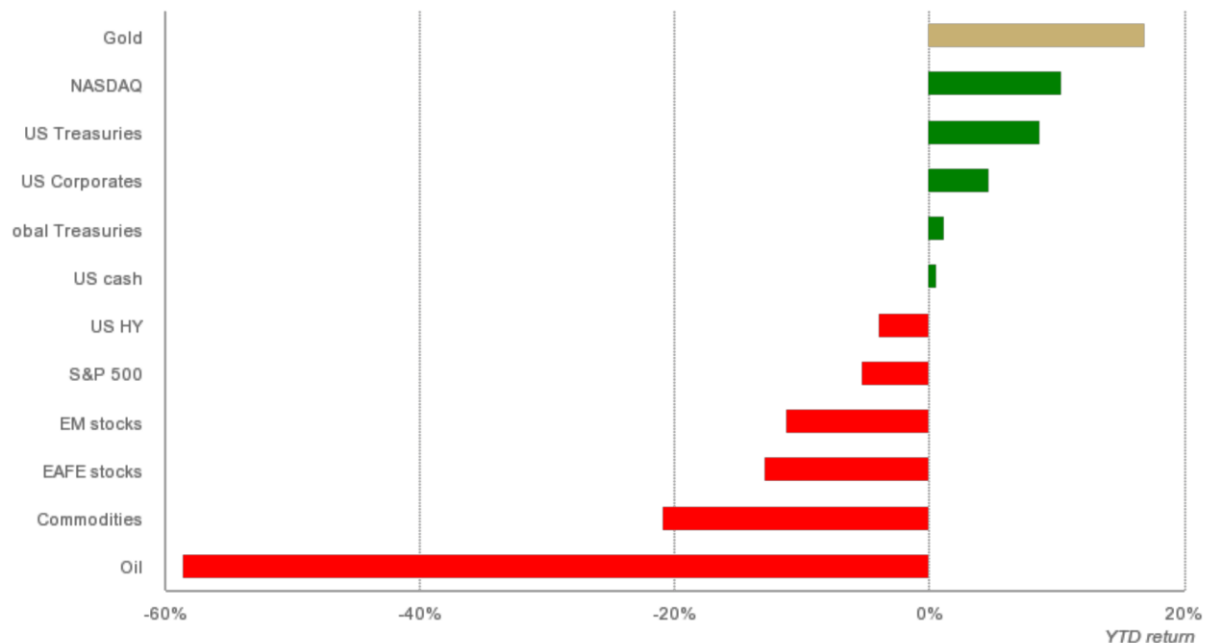
In Australia, record local gold prices during 2018 and 2019, as a result of weakness against the US dollar, have supported growth in mine production. National output grew 4% y-o-y, despite losses earlier in the year at the Kalgoorlie Super Pit due to a ground slip. Further growth is expected, supported by greater levels of exploration spend by Australian miners, which now stands at multi-year highs.

### **Significant trends**

The coronavirus epidemic has affected the demand for gold in each of the sub-categories noted above. Governments and central banks across the world used monetary tools including interest rate cuts and quantitative easing to ensure low base borrowing costs and market liquidity. Following this response, there has been a shift in asset allocation by managers resulting in record flows of 734 tonnes into gold-backed ETFs. Consequently, the gold ETF flows boosted the gold price which increased 17% in USD terms in H1 2020 and breaching new highs in numerous other currencies. Graph below highlights the performance of gold as an asset class against other major assets in H1 2020.

## Chart 1: Gold outperformed all major assets in H1

Y-t-d performance of major global assets\*

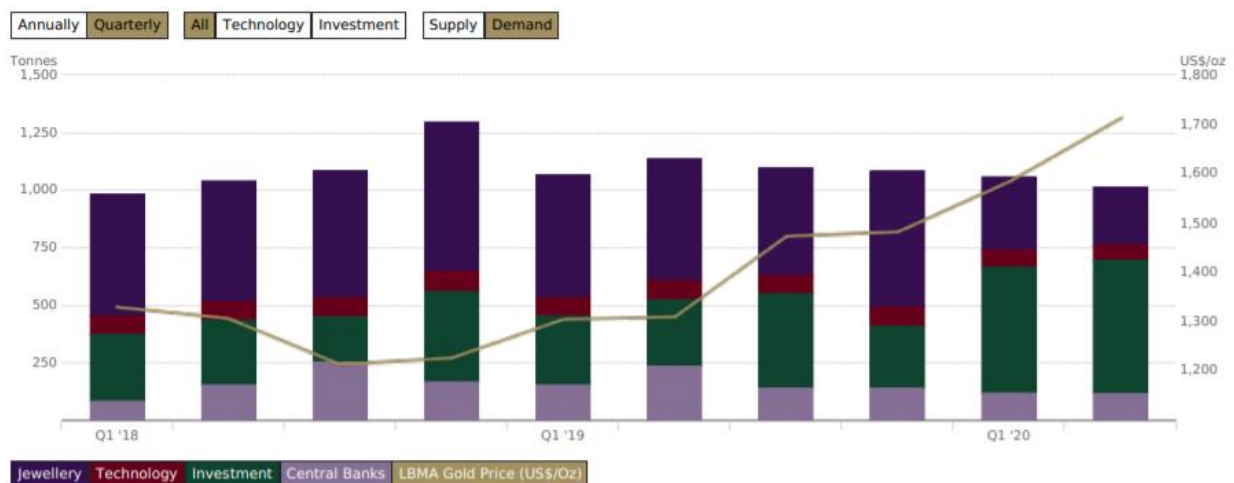


\*As of 30 June 2020. Returns based on the LBMA Gold Price PM, Nasdaq Composite, Bloomberg Barclays US Treasury Index and Global Treasury Index ex US, ICE BAML US 3-month T-bill Index, Bloomberg Barclays US Corporate and High Yield Indices, MSCI EM Index, Bloomberg Commodity TR Index, MSCI EAFE Index, S&P 500 Indices, and Bloomberg Oil TR Index.  
Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Consumer demand for jewellery was down significantly in H1 2020 as many countries operated strict lockdown measures, which resulted in stay-at-home orders and the closure of non-essential retail stores. Additionally, consumers were discouraged by the increase in gold prices and potential changes to disposable income. Notably, China – the earliest market to emerge from lockdown and the largest consumer of gold– witnessed a quarter-on-quarter recovery from Q1 weakness. Due to the strength of the gold ETF inflows, H1 2020 demand was down 6% at 2,076 tonnes, largely offsetting the weak demand from consumer jewellery market.

Inserted below are (i) the demand graph for gold from Q1 2018 – Q2 2020 and (ii) the supply graph for gold from Q1 2018 – Q2 2020.

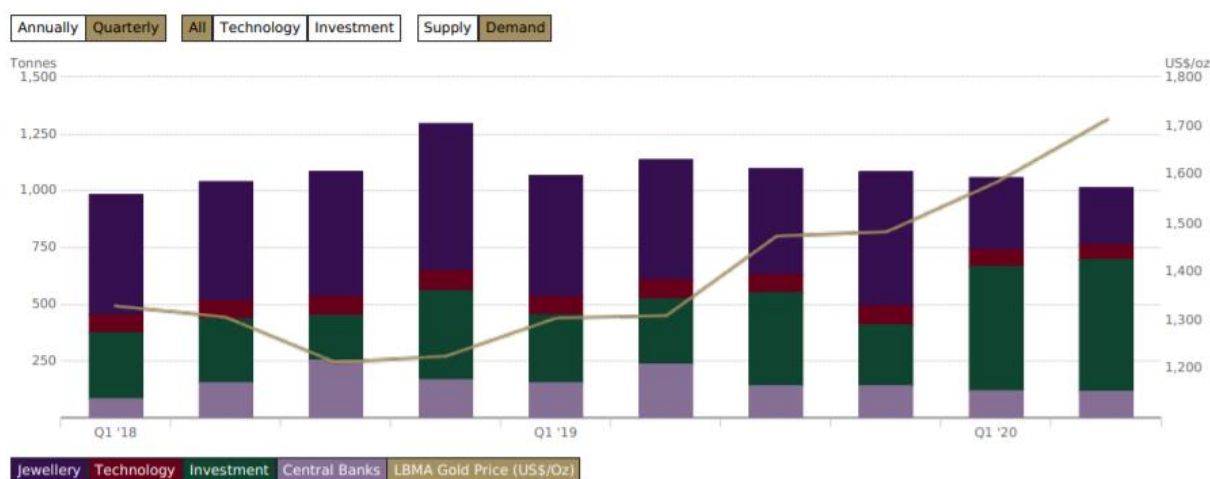
## Supply and demand statistics



Data as of 30 June, 2020

Sources: ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council; [Disclaimer](#)

## Supply and demand statistics



Data as of 30 June, 2020

Sources: ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council; [Disclaimer](#)

### (B) Onshore Oil

Onshore exploration has been episodic. Each of six principal phases of exploration<sup>1</sup> has yielded some success:

- Up to early 1900s: two small companies actively exploring in geographically small areas and rare opportunistic drilling in other areas; limited oil production from accidental discoveries in coal workings (e.g. Coalport Tar Tunnel),
- 1919-1922: American-advised exploration on surface anticlines in Carboniferous rocks in northern England and Scotland,
- 1936-1960s: BP (then called D'Arcy) and Esso (Anglo-American) dominated exploration,
- 1960s-1980: a period of increased drilling, but sometimes without seismic control e.g. wells drilled on North Sea coast and East Anglia,
- 1980-1991: modern seismic-based exploration with BP, Shell, Amoco, Conoco and some smaller companies,
- 1991-present: BP sold off its smaller production and data and other large companies pulled out; smaller companies now dominate exploration.

Oil and natural gas provide the energy source or raw material to make a wide range of products and plastics. In fact, it is nearly impossible to get through a day without using multiple products that started off either as oil or gas. Shampoo, toothpaste, contact lenses, shaving foam, lipstick, washing powder and clothing all contain petroleum products.

COVID-19 has hit fuel demand hard, and different parts of the value chain will likely recover at different speeds. Driving activity has begun to return to normal by some measures even as congestion remains below 50% of pre-COVID-19 levels in many American cities, echoing similar trends seen across the world<sup>2</sup>. Flying, however, has not recovered. Not only did the number of commercial flights fall by 80%<sup>3</sup>, but also only 10% of the number of passengers flew in the second quarter of 2020 compared with last year, with 74% of respondents in a recent Deloitte consumer sentiment survey saying they would be

<sup>1</sup> EVANS, W.E. 1990. Development of the petroleum exploration scene in the UK onshore area; a struggle over the last 75 years. In: Ala-M., Hatamian, H., Hobson, G.D., King, M.S. & Williamson, I. (eds). Seventy-five years of progress in oil field science and technology. A.A. Balkema, Rotterdam, 49-54.

<sup>2</sup> Apple, "Mobility Trends Reports," <https://www.apple.com/covid19/mobility>, accessed June 2, 2020; Deloitte Canada, "Commuter traffic index," <https://www2.deloitte.com/ca/en/pages/about-deloitte/articles/covid-dashboard.html>, accessed June 2, 2020.

<sup>3</sup> Flightradar24, "Flight tracking statistics."

uncomfortable flying in the next three months, indicating a potentially slow path to recovery<sup>4</sup>. Even once passengers start to return, the rebound in flying may be slow. The International Air Transport Association estimates that traffic will remain 30% to 40% below pre-COVID-19 estimates even in 2021<sup>5</sup>. The impact has been felt far and wide, with West Texas Intermediate prices falling from \$60 per barrel to under \$30 and May futures prices turning deeply negative before partially recovering<sup>6</sup>. US oil and gas companies reacted swiftly to the drop in oil prices, with more than 1.4 million barrels per day of production shut-ins announced and refinery utilization dropping below 70%—levels not seen since the financial crisis or following Hurricane Katrina's 2005 landfall in Louisiana near the heart of the PADD 3 Gulf Coast refining complex. The first half of 2020 has proven challenging for the oil and gas industry. Despite the nascent economic recovery as many US states lift lockdowns, the second half could be almost as difficult to navigate. Oil and gas companies should tackle various challenges, including the following, over the next three months:

- Low prices and uncertain demand growth mean many companies may need to permanently lower their cost structure. Discharging debt and restructuring could be necessary for some; others should consider reducing spend by leveraging remote working capabilities ranging from videoconferencing to automated drilling and production processes.
- In the face of uncertainty, agility will likely be key. Several indicators are telling different, sometimes contradictory, stories, and oil and gas companies should be able to ramp up and down their capabilities to match external conditions. Streamlined asset portfolios could improve companies' operational flexibility.
- Following the 2014 oil price crash, many companies cut spending in part by deferring offshore and international projects. The reaction to 2020 looks to be similar<sup>7</sup>. Productivity gains in shale that offset lower investment in the past five years could prove insufficient in the next five as oilfield service companies remain financially and operationally stretched. Companies should ensure capex cuts in 2020 do not reduce their ability to scale production in the near-to-mid-term.

The oil and gas industry was already in flux prior to the spread of COVID-19. Five years of low oil prices have sapped upstream investment, LNG markets have been oversupplied, and the energy transition has taken off. The sharp decline in fuel and power demand has hit an already stressed industry, creating new challenges. Despite evident sign of improvements and oil achieving pre-COVID-19 levels during Q1/2021, oil demand The industry will not fully recover until COVID-19 has been successfully contained in most countries, either with the development of a vaccine or the implementation of a widespread test-and-trace program. Even as the number of new cases has been reduced in the hardest-hit countries in Asia and Europe, its spread is increasing in the Americas<sup>8</sup>.

Full recovery will likely require not only for the number of new COVID-19 cases to drop substantially but also for economic activity to return to its pre-virus levels. That includes GDP growth as well as other oil and gas-relevant indicators, including industrial activity levels; transport demand; and demand for goods like cars, appliances, and other consumer products. While driving has picked back up in the United States and elsewhere, public transit and flying remain at a fraction of the January levels<sup>9</sup>. Even as lockdowns have been lifted in many US states, US personal savings rates are at an all-time high, reflecting that many consumers still remain home and are refraining from new purchases<sup>10</sup>.

It is clear that the economic thaw will likely take more than a few months, and even then, consumption patterns could be substantially altered for the long term, with reduced personal interactions and

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<sup>4</sup> US Transportation Security Administration (TSA), "TSA checkpoint traveler numbers for 2019 and 2020," June 1, 2020, <https://www.tsa.gov/coronavirus/passenger-throughput>, accessed June 2, 2020.

<sup>5</sup> Brian Pearce, "COVID-19 outlook for air travel in the next 5 years," International Air Transport Association, May 13, 2020, <https://www.iata.org/en/iataarepository/publications/economic-reports/covid-19-outlook-for-air-travel-in-the-next-5-years>, accessed June 2, 2020.

<sup>6</sup> EIA, "Cushing, Oklahoma West Texas Intermediate Spot Prices Free On Board," <https://www.eia.gov/dnav/pet/hist/rwtcD.htm>, accessed June 2, 2020.

<sup>7</sup> Wood Mackenzie, "Global upstream tracker: projects impacted by the oil price crash and coronavirus," June 1, 2020, <https://my.woodmac.com/document/402186>, accessed June 3, 2020.

<sup>8</sup> 24. Worldometer, "Coronavirus Cases," Worldometer, <https://www.worldometers.info/coronavirus>, accessed June 8, 2020.

<sup>9</sup> Apple, "Mobility Trends Reports"; TSA, "TSA checkpoint traveler numbers for 2019 and 2020."

<sup>10</sup> Federal Reserve Bank of St. Louis, "Personal Savings Rate," May 29, 2020, <https://fred.stlouisfed.org/series/PSAVERT>, accessed June 10, 2020

extended work-from-home policies. Oil and gas companies should prepare for what could be the next normal. In the coming months, they should balance the trade-offs between short-term cost-cutting and long-term investments so they are best positioned for the future.

Even if energy demand drops in the coming year and the energy mix begins to change, the long-term demand for energy overall will likely continue to grow. Those who can demonstrate agility and flexibility while building new production capacity are more likely to remain competitive despite these headwinds.

## **PART IX**

### **REGULATORY AND OPERATING ENVIRONMENT**

#### **(A) *Mineral rights in Arizona***

##### **Permits and Applications**

The following permits and applications may be required for a future mining operation at the Gold Ridge Project:

- reclamation plan with a bond posted against its completion;
- an identification number with both the Federal Mine Safety and Health Administration ("**MSHA**") and the Arizona State Mine Inspectors office as soon as the Gold Ridge Project advances beyond the exploration phase;
- an MSHA-approved ventilation plan and a ground support plan;
- a mine rescue team on call;
- Arizona Department of Water Resources permits for exploration holes and wells;
- county highway use restrictions and maintenance requirements;
- National Pollutant Discharge Elimination System Multi-Sector General Permit for Industrial Activities for storm water runoff issued by the Arizona Department of Environmental Quality;
- an Air Quality Permit for crushing and screening; and
- an Aquifer Protection Permit.

Some of these permits/approvals may not be required if the scope and scale of a mining operation remains below certain thresholds. For example, an Air Quality Permit may not be required if emissions are below certain threshold values or if the operator uses a contracted, mobile crushing and screening company who would themselves take responsibility for permitting and ensuring that Air Quality Permits are attached to the mobile equipment. The mine rescue team requirement could be met if the Company were to contract within a "mine safety" cooperative as long as the MSHA rules that a "small and remote" classification would be appropriate for an operation at the Gold Ridge Project.

##### **Mineral Exploration and Extraction**

The Gold Ridge Project is accessible via a well-developed state and county road system, which provides reliable year-round access to the project area. State Highway 186 traverses the village of Dos Cabezas and, near the southern end of the town, the private South Hertado Ranch road forks off to the southeast. Taking this road for about 4 km takes one to the portal of the Gold Prince mine. The road is normally passable with a 2-wheel drive vehicle. Due to the method of mining historically employed at the Gold Ridge Project, tall open stopes exist above many parts of the mines rendering access unsafe without extensive work to mitigate the hazard of rock fall. Despite this issue, previous studies of the Gold Prince mine has found a vein which is 0.6-3 m wide with variable sulphide content, and very high grade in some of the areas where historic mining had occurred. Investigation along the surface trace of the Gold Ridge vein system confirmed that the vein outcrops across much of the Company's land holdings and represents a geologic target for surface sampling, geochemical studies and drilling that has potential to discover additional shoots of high-grade material similar to that mined at the Gold Prince, Gold Ridge and Dives mines.

#### **(B) *UK Oil Onshore Oil and Gas Exploration and Production***

The OGA operates a licensing regime that gives companies exclusive rights to search, bore for and get petroleum. Petroleum licences are issued after a competitive process, usually a licensing round.

There have been 14 onshore licensing rounds to date. The last licensing round, the 14th Round, was held in 2014. As it stands, a decision on the timing of the next round has not yet been made. When a future round is announced, it will be placed in the London Gazette detailing the areas on offer and accompanying guidance is provided as to the requirements for applications. Bespoke guidance is produced for each round and is placed on the OGA website.



When the OGA holds an onshore licensing round, it will assess applications for operator competency, financial capability, geotechnical analysis and the proposed work programme of any application submitted.

All companies on a licence share joint and several liability for obligations and liabilities that arise under it throughout the lifecycle of the licence. All companies on the licence share the rights conferred in the licence.

Licences can be held by a single company or by several working together, but in legal terms there is only ever a single licensee however many companies it may comprise.

### **Petroleum Exploration and Development Licence (PEDL)**

A PEDL does not give permission for operations but it grants exclusivity to licensees, in relation to hydrocarbon exploration and extraction within a defined area. All operations require other permissions as appropriate, such as access agreement(s) with relevant landowner(s), Environment Agency (EA) permits, Health and Safety Executive (HSE) scrutiny, planning permission and Department for Business, Energy and Industrial Strategy (BEIS) consent.

Except in special circumstances, PEDLs run for three successive periods or terms, since the 7th Round (The Petroleum (Production) (Landward Areas) Regulations 1995) these are:

- Initial term
- Second term
- Production period

### **Exploration Licence (XL)**

The OGA also issues exploration licences (XL). A company that wants to explore by means of seismic or other surveys but does not seek exclusive rights to drill or produce can apply for an onshore exploration licence. Exploration licences are useful for seismic contractors who wish to gather data, or holders of production licences who wish to explore outside the areas where they hold or require exclusive rights.

An exploration licence grants rights to explore only, not to drill or produce; and is non-exclusive, covering all acreage outside those areas covered by any of the corresponding production licences that are in force at the time.

If the holder of an exploration licence wishes to explore acreage covered by a production licence, permission is required from the holder of that production licence.

### **Consent for flaring and venting**

Under the Energy Act 1976, as amended by the Gas Act 1986, the Secretary of State's consent is required for the disposal of natural gas (whether at source or elsewhere) by flaring or unignited release into the atmosphere. There are a number of exemptions, including flaring covered by one type of licence and gas supplied by a public gas supplier.

### **Licence Holder Requirements**

Licences stipulate that the licensee shall ensure that another person (including, in the case where the licensee is two or more persons, e.g. a company, any of those persons) does not exercise any function of organising or supervising all or any of the operations in pursuance of this licence. The only exception is if that person is approved in writing by the OGA and the function in question is one to which that approval relates. This is called operatorship.

## **Operatorship**

In considering any request for operatorship, which can occur either at the time of licence application or other times during the lifetime of a licence, the competence of the proposed operator is assessed by the OGA, taking into consideration the following factors:

- technical experience and capability to supervise, manage and undertake the proposed operation; and
- their risk-assessment and hierarchy of decision-making, and plans for public engagement.

The amount of information required will depend on the circumstances, including the complexity and scope of the planned activity. A new entrant or small company with little onshore experience should expect to provide more information than an established onshore operator.

Licensees and operators are encouraged to be a member of the UK Onshore Operators Group (UKOOG), which has worked with regulators to publish industry guidelines for best practice, which contain what is good industry practice and refer to the relevant legislation, standards and practices.

The OGA will require a letter from the board of the proposed operator confirming scope of insurance or availability of necessary funds for any required remedial work.

## **Financial Criteria for Licence Holders**

Licensees must meet certain financial criteria to demonstrate that they have the financial capacity to exploit the exclusive rights granted by the licence.

The OGA has two distinct types of financial criterion: Financial Viability and Financial Capacity. Financial Viability refers to a company's ability to remain solvent while Financial Capacity refers to a company's ability to meet known and specific costs.

## PART X

### HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

The audited financial statements relating to the group for the year to 31 December 2020 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

The audited consolidated financial statements relating to the group for the 10 month period from 01 March 2019 to 31 December 2019 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

The audited consolidated financial statements relating to the group for the year to 28 February 2019 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

The audited financial statements relating to the group for the year to 28 February 2018 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

The unaudited interim financial statements relating to the group for the six months from 01 January 2020 to 30 June 2020 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

The unaudited interim financial statements relating to the group for the six months from 01 March 2019 to 31 August 2019 (available at <https://www.metalnrg.com/investors/financial-reports/>) are incorporated by reference into the Prospectus as described in *Part XIX – Documents incorporated by reference* of this Prospectus.

## PART XI

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

#### Share capital

The Company was incorporated in England and Wales on 20 February 2006 as a public company with limited liability under the Companies Act 1985 under the name ZimNRG plc, and re-registered with the name MetalNRG plc on 11 March 2016.

Details of the Existing Issued Share Capital of the Company are set out in paragraph 3 of *Part XV – Additional Information* of this Prospectus. As at Admission, there is expected to be £49,432 in nominal value of Ordinary Shares, divided into 494,317,455, issued Ordinary Shares of nominal value £0.0001 each, all of which will be fully paid up.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00B15FS791. The SEDOL code of the Ordinary Shares is B15FS79.

#### Fully diluted Existing Issued Share Capital

The following table sets out the fully diluted Existing Issued Share Capital as at the date of this Prospectus and as at Admission:

	As at the date of this Prospectus	As at the date of Admission	As a percentage of the Company's Enlarge Issued Share Capital at Admission
Existing Issued Share Capital	508,179,803	952,119,197	53.37%
Existing Warrants	30,333,329	30,333,329	3.18%
Outstanding Options	17,194,030	17,194,030	1.80%
Exchange Shares	-	60,606,061	6.36%
Placing Shares	-	383,333,333	40.26%
Placing Warrants (including those issued to SI Capital and Peterhouse)	-	390,999,999	41.06%
Riverfort Warrants	21,417,419	21,417,419	2.25%
<b>Total</b>	<b>577,124,581</b>	<b>1,451,252,616</b>	<b>-</b>

#### Existing Warrants

The Company has 30,333,329 existing warrants outstanding, each entitling the holder to subscribe for one Ordinary Share at a price of between 0.6 pence per share. (the "**Existing Warrants**").

Details of the Existing Warrants are set out in the table below and a summary of the terms and conditions are set out in paragraph 9 of *Part XV – Additional Information* of this Prospectus.

	Warrants held at the date of this Prospectus	As a percentage of the Company's Existing Issued Share Capital	If fully exercised as a percentage of the Company's New Enlarged Issued Share Capital
Investor Warrants	30,333,329	5.97%	3.18%
<b>Total</b>	<b>30,333,329</b>	<b>5.97%</b>	<b>3.18%</b>

### New Warrants

In connection with the Placing the Company will issue new warrants to placees on the basis of one warrant for every Placing Shares. These warrants, known as the 2021 Placing Warrants, each entitle the holder to subscribe for one new Ordinary Share at a price of 1 pence per share at any time until the second anniversary of Admission.

Details of the New Warrants are set out below and a summary of the terms and conditions are set out in paragraph 8 of *Part XV – Additional Information* of this Prospectus:

	As at the date of this Prospectus	As at the date of Admission	As a percentage of the Company's Enlarged Share Capital at Admission
Investor Warrants	-	383,333,333	40.26%
Broker Warrants	-	7,666,666	0.81%
Riverfort Warrants	-	21,417,419	2.25%
<b>Total</b>	<b>0</b>	<b>412,417,418</b>	<b>43.31%</b>

Accordingly, at Admission the Enlarged Issued Share Capital will be 952,119,197 Ordinary Shares with a total of 459,944,777 warrants and options outstanding. If all the warrants were to be exercised the Company would receive approximately £5,294,375 in cash and the options and warrants would represent 31.69% of the fully diluted Enlarged Issued Share Capital.

### Financial position

The Company monitors its cash resources extremely carefully and has implemented a robust cash management process to ensure that cash is allocated appropriately and in accordance with the Group's approved corporate and project spending requirements. On:

- 21 January 2021, the Company issued 13,333,332 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 13,333,332 warrants;
- 4 February 2021, the Company issued 38,999,999 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 38,999,999 warrants;
- 4 February 2021, the Company issued 6,637,168 Ordinary Shares credited as fully paid as to 0.68p on the capitalisation of a short-term unsecured loan of £53,500;
- 4 February 2021, the Company issued 5,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £30,000 in par value of convertible loan notes;
- 8 February 2021, the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalisation of a short-term unsecured loan of £53,500;
- 19 February 2021, the Company issued 1,609,589 Ordinary Shares credited as fully paid as to 0.73p to Rolf Gerritsen on his election to take a bonus of £11,750 in shares;

A1.7.1.1

- 24 February 2021, the Company issued 40,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £240,000 in par value of convertible loan notes; and
- 24 February 2021, the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalisation of a short-term unsecured loan of £53,500;
- 22 March 2021, the Company entered into the Framework Partnership Agreement and the Share Exchange Agreement with EQTEC PLC pursuant to which it agreed, *inter alia*, to effect the Share Exchange and agree a framework for collaboration on future potential projects. Liquidity and capital resources
- 29 November 2020, the Company issued 6,666,666 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 6,666,666 warrants'
- 21 January 2021, the Company issued 13,333,332 Ordinary Shares credited as fully as to 0.6p on the exercise of 13,332,332 warrants;
- 4 February 2021, the Company issued 38,999,999 Ordinary Shares credited as fully as to 0.6p on the exercise of 38,999,999 warrants;
- 4 February 2021, the Company issued 6,637,168 Ordinary Shares credited as fully as to 0.68p on the capitalisation of a short-term unsecured loan of £53,500;
- 4 February 2021, the Company issued 5,000,000 Ordinary Shares credited as fully as to 0.6p on the conversion of £30,000 in par value of convertible loan notes;
- 8 February 2021, the Company issued 8,663,967, Ordinary Shares credited as fully as to 0.62p on the capitalisation of a short-term unsecured loan of £53,500;
- 8 February 2021, the Company issued 1,609,589, Ordinary Shares credited as fully as to 0.73p to Rolf Gerritsen on his election to take a bonus of £11,750 in shares;
- 24 February 2021, the Company issued 40,000,000 Ordinary Shares credited as fully paid to 0.6p on the conversion of £240,000 in par value of convertible loan notes;
- 24 February 2021, the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalisation of a short-term unsecured loan of £53,500;
- 3 March 2021 the Company drew down a third tranche of debt under the Riverfort Agreement in the sum of £200,000 giving net proceeds of £180,000; and
- 24 March 2021 the Company issued 13,862,348 Ordinary Shares credited as fully paid at a price of 0.62p on the capitalisation of an aggregate of £85,600 of short-term debt and accrued interest.

The Company has the option to initiate further drawdowns from its loan facility with Riverfort of up to £420,000.

## **Liquidity and capital resources**

### ***Sources of cash and liquidity***

The Company currently has a cash balance of £9,099 as at 30 April 2021.

The Company will use this remaining cash towards the expenses of the Placing, including legal and professional fees, ongoing costs and expenses (including the FCA application, listing and vetting fee of £50,000, the London Stock Exchange listing fee of £10,000, the Registrar's basic fees of £7,500 per year, the London Stock Exchange's fee of £8,250 per year, the Broker's annual fee of £5,000 and an estimated annual audit fee of £10,000), all exclusive of VAT.

The Company may raise additional capital in order to fund its operations. Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings. Although the Company envisages that any capital raised will be from new equity, the Company may also choose to raise capital with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no additional (other than the Bridging Loan facility) financing arrangements will be in place at Admission.

If additional debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and

operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

Substantially all of the cash raised, after payment of the expenses of the Placing, (including cash from any subsequent share offers) is expected to be used for working and development capital. The Company's future liquidity will depend on the medium to longer term primarily on: (i) the Company's management of available cash; (ii) cash distributions on the sale of existing assets; (iii) the use of borrowings to fund short-term liquidity needs; and (iv) dividends or distributions from subsidiary companies.

### Capitalisation and Indebtedness

As at	30 April 2021
<b>Total Current Debt</b>	<b>794,580</b>
Guaranteed	-
Secured	-
Unguaranteed / Unsecured	794,580
<b>Total Non-current debt (excluding current portion of long-term debt)</b>	<b>28,975</b>
Guaranteed	-
Secured	-
Unguaranteed / Unsecured	28,975
<b>Shareholder's Equity</b>	<b>3,590,435</b>
Share Capital	286,645
Share Premium	3,302,790
Legal Reserve	-
Other Reserves	-
<b>Total</b>	<b>4,413,990</b>
<b>Net Indebtedness</b>	<b>30 April 2021</b>
Cash	9,099
Cash Equivalent (Detail)	-
Trading Securities	255,565
<b>Liquidity</b>	<b>264,664</b>
<b>Current Financial Receivable</b>	<b>78,801</b>
Current Bank Debt	-
Current Portion of Non-current Debt	-
Other Current Financial Debt	794,580
<b>Current Financial Debt</b>	<b>794,580</b>
<b>Net Current Financial Liabilities</b>	<b>451,115</b>
Non-current Bank loans	28,975
Bonds Issued	-
Other Non-current loans	-
<b>Non-current Financial Indebtedness</b>	<b>28,975</b>
<b>Net Financial Indebtedness</b>	<b>480,090</b>

### Cash uses

The Company's principal use of cash will be as working capital. The Company's current intention is to retain earnings for use in its business operations and it does not anticipate declaring any dividends until a project produce free cash flows and then after consider the overall financing strategy of the Group. However, the Company will incur day-to-day expenses that will need to be funded. Initially, the Company expects these expenses will be funded through existing cash and the Net Placing Proceeds (and income earned on such funds). Such expenses include all costs relating to the Placing, including fees and expenses incurred in connection with the Placing such as those incurred in the establishment of the Company, the Placing and Admission fees, legal, accounting, registration, printing, advertising and distribution costs and any other applicable expenses which are estimated to be £500,000.

The Net Proceeds of the Placing will be utilized as follows:

- (i) up to £500,000 to invest in BritNRG (including the £150,000 final payment for the convertible loan notes), to fund the unblocking of Whisby well #5 or well #2 (currently shut in) on PL199 via a side-tracked well and to reprocess and reinterpret seismic and geological data from Newton;
- (ii) up to £500,000 to develop the Goldridge Holdings project in Arizona by development of a detailed geological understanding of the total area and create a roadmap to sustainable production;
- (iii) up to £500,000 reserved for participation in an initial green alternative energy project to be identified in collaboration with EQTEC PLC; and
- (iv) up to £300,000 for general working capital purposes.

#### **Interest rate risks**

The Company has not to date incurred any material indebtedness which has not been repaid in full. However, the Company may incur indebtedness to finance and leverage any future acquisition and/or project and to fund its liquidity needs following any such acquisition or project. Such indebtedness may expose the Company to risks associated with movements in prevailing interest rates. Changes in the level of interest rates can affect, *inter alia*: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its assets; (ii) the Company's ability to make an acquisition when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the companies and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances. This exposure may be reduced by introducing a combination of a fixed and floating interest rates or through the use of hedging transactions (such as derivative transactions, including swaps or caps). Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes.

#### **Hedging arrangements and risk management**

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.



## PART XII

### THE PLACING

#### Details of the Placing

The Company, the Directors, SI Capital and Peterhouse Capital have entered into engagement letters pursuant to which, subject to certain conditions, SI Capital and Peterhouse Capital agreed to use their reasonable endeavours to procure subscribers for up to an aggregate of 383,333,333 Placing Shares.

The aggregate 383,333,333 Placing Shares subscribed for in the Placing at the Price will represent approximately 40.26% of the Enlarged Issued Share Capital. The Company will issue 383,333,333 Placing Shares through the Placing at the Placing Price of 0.6 pence per share.

The Placing Shares will be issued with warrants attached on the basis of one warrant for every one Placing Share, each warrant entitling the holder to subscribe for one new Ordinary Share at a price of 1 pence at any time in the 24 months following Admission. In addition, Peterhouse and SI Capital will receive an aggregate of 7,666,666 warrants as part of their fees for conducting the Placing.

The Placing Shares will, in aggregate, represent approximately 40.26% of the Enlarged Issued Share Capital of the Company.

The Placing is not being underwritten. SI Capital and Peterhouse Capital, as the Company's agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from Subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.

None of the Directors nor the Senior Manager are participating in the Placing.

The aggregate Net Placing Proceeds, after deduction of expenses, will be £500,000 on the basis that the aggregate Gross Placing Proceeds will be £2,300,000. The Placing is conditional upon Admission occurring by 8:00 a.m. on 14 May 2021 (or such later date as the Company SI Capital and Peterhouse Capital may agree, not being later than 8:00 a.m. 28 May 2021).

The Placing Shares will, upon issue, be credited as fully paid and rank *pari passu* with the Ordinary Shares. If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to subscribers.

#### General

In accordance with Listing Rule 14.2.2, at Admission at least 25% of the Ordinary Shares of this listed class of Ordinary Shares will be in public hands (as defined in the Listing Rules).

Each applicant in the Placing has provided to the Company an irrevocable commitment letter in respect of the proceeds due to the Company in respect of the Placing. There are no conditions attached to the commitment letters other than Admission.

#### Admission, dealings and CREST

The Placing is conditional upon Admission occurring by 8:00 a.m. on 14 May 2021 (or such later date as the Company SI Capital and Peterhouse Capital may agree, not being later than 8:00 a.m. 28 May 2021).

Admission is expected to take place and dealings in 383,333,333 Placing Shares and the 60,606,061 Exchange Shares are expected to commence on the main market for listed securities of the London Stock Exchange at 8:00 a.m. on 14 May 2021.

Where applicable, definitive share certificates in respect of the Placing Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, within ten business days of Admission. The Placing Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are held in certificated form, transfers of those Placing Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be

admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the CREST Regulations) in relation to CREST.

### **Selling restrictions**

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the US.

Certain restrictions that apply to the distribution of this Prospectus and the Placing Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed 'Notices to Investors' in *Part III – Important Information* of this Prospectus.

### **Transferability**

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

### **Use of proceeds**

The Company will use the Net Proceeds of the Placing as follows:

- (i) up to £500,000 to further invest in BritNRG (including the £150,000 final payment for the convertible loan notes), to fund the unblocking of Whisby well #5 or well #2 (currently shut in) on PL199 via a side-tracked well and to reprocess and reinterpret seismic and geological data from Newton;
- (ii) up to £500,000 to develop the Goldridge Holdings project in Arizona by development of a detailed geological understanding of the total area and create a roadmap to sustainable production;
- (iii) up to £500,000 reserved for participation in an initial green alternative energy project to be identified in collaboration with EQTEC PLC; and
- (iv) up to £300,000 for general working capital purposes.

The total expenses incurred (or to be incurred) by the Company in connection with Admission and the Placing are approximately £500,000 which will be paid out of the Gross Placing Proceeds (such that the Net Placing Proceeds in respect of the Placing will be not less than £1,800,000).

## PART XIII

### TAXATION

#### UK Taxation

Investors should note that the tax laws of their own country may affect the tax treatment of their acquisition, holding and disposal of Ordinary Shares and that the tax laws of their own country and the UK, being the country in which the Company is incorporated, may affect Shareholders' post-tax income from their Ordinary Shares. A summary of certain UK tax issues is set out below.

If potential investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares, or are subject to tax in any country other than the UK, they should seek advice from their own professional advisers without delay. Investors should note that tax law and interpretation can change and that, in particular, the level and basis of, and reliefs from, taxation may change and that may alter the benefits of investment.

The following summary is intended only as a general guide and relates solely to UK tax. It is based on current UK law and published practice of Her Majesty's Revenue & Customs ("**HMRC**") as at the date of this Prospectus, each of which may be subject to change, possibly with retrospective effect.

The following paragraphs are not intended to be exhaustive and relate only to certain limited aspects of the UK taxation consequences of acquiring, holding and disposing of the Ordinary Shares and do not constitute legal or tax advice. Except to the extent expressly stated, they apply only to holders of Ordinary Shares who are resident, and in the case of individuals, domiciled, solely in the United Kingdom for UK tax purposes, and who are the absolute beneficial owners of their Ordinary Shares and who do not hold their Ordinary Shares through an individual savings account or a self-invested personal pension ("**UK Holders**"). The information may not apply to certain classes of UK Holders such as tax exempt entities, collective investment schemes, pension schemes, insurance companies, financial institutions, dealers, professional investors, persons who hold Ordinary Shares in connection with a trade, profession or vocation, persons connected with the Company and persons who have acquired (or been deemed to have acquired) their Ordinary Shares by reason of their (or another person's) office or employment, to whom special rules may apply.

**IT IS RECOMMENDED THAT ALL PROSPECTIVE HOLDERS OF ORDINARY SHARES OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE ORDINARY SHARES IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISERS. IN PARTICULAR, THE INCOME AND GAINS OF PROSPECTIVE SHAREHOLDERS WHO MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM MAY BE IMPACTED BY THE TAX LEGISLATION OF SUCH JURISDICTION. ANY SUCH PROSPECTIVE SHAREHOLDERS ARE ADVISED TO CONSIDER THE POTENTIAL IMPACT OF SUCH LEGISLATION AND ANY RELEVANT DOUBLE TAXATION AGREEMENTS.**

#### **Dividends**

##### *Withholding Tax*

Dividends paid by the Company will not be subject to any withholding or deduction for or on account of UK tax, irrespective of the residence or particular circumstances of the holders of Ordinary Shares.

##### *Income Tax*

An individual UK Holder may, depending on his or her particular circumstances, be subject to UK tax on dividends received from the Company.

All dividends received by an individual UK Holder from the Company (or from other sources, except to the extent within an individual savings account, self-invested pension plan or other regime which exempts dividends from tax) will form part of that UK Holder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the individual UK Holder in a tax year. Income within this nil-rate band will be taken into account in determining whether income in excess of the £2,000 nil-rate band falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the nil-rate band will (subject to the availability of any income tax personal allowance) be taxed at 7.5% to the extent that the excess amount falls within the basic rate tax band, 32.5% to the extent that the excess amount falls within the higher rate tax band and 38.1% to the extent that the excess amount falls within the additional rate tax band.

An individual holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom should not be chargeable to UK income tax on dividends received from the Company unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency to which the Ordinary Shares are attributable. There are certain exceptions for trading in the United Kingdom through independent agents, such as some brokers and investment managers.

#### *Corporation Tax*

Corporate UK Holders should not be subject to UK corporation tax on any dividend received from the Company so long as the dividends qualify for exemption, which should generally be the case, provided certain conditions (including under anti-avoidance rules) are met. If the conditions for the exemption are not satisfied, or such UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the amount of any dividends (currently at the rate of 19%).

A corporate holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom should not be within the scope of UK corporation tax in respect of dividends received from the Company unless it carries on (whether solely or in partnership) a trade in the United Kingdom through a permanent establishment to which the Ordinary Shares are attributable.

#### **Chargeable Gains**

If a UK Holder disposes (or is treated as disposing) of some or all of its Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the UK Holder's circumstances and any exemptions or reliefs which may be available.

#### *Individual UK Holders*

For an individual UK Holder, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of UK capital gains tax. For an individual UK Holder who is subject to UK income tax at either the higher or the additional rate, the current applicable rate of capital gains tax is 20%. For an individual UK Holder who is subject to UK income tax at the basic rate, the current applicable rate would be 10%, save to the extent that any capital gains when aggregated with the UK Holder's other taxable income and gains in the relevant tax year exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20%. An individual UK Holder is entitled to realise an annual exempt amount of gains (currently £12,300) without being liable to UK capital gains tax.

#### *Corporate UK Holders*

For a UK Holder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or to an allowable loss for the purposes of UK corporation tax. The current rate of UK corporation tax is 19%.

#### *Shareholders who are not UK Resident*

A holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom should not normally be liable to UK capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of Ordinary Shares unless (i) the person is carrying on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate holder of Ordinary Shares, through a permanent establishment) to which the Ordinary Shares are attributable or (ii) the Company directly or indirectly derives 75% or more of its qualifying asset value from UK land, in which case a holder may, depending on its circumstances, be liable for non-resident capital gains tax. However, an individual holder of Ordinary Shares who has ceased to be resident for tax purposes in the United Kingdom (including where an individual is treated as resident outside the United Kingdom for the purposes of a double tax treaty) for a period of five years or less and who disposes of Ordinary Shares during that period may be liable on his or her return to the United Kingdom to UK tax on any capital gain realised (subject to any available exemption or relief).

#### **Stamp Duty and Stamp Duty Reserve Tax**

The discussion below relates to holders of Ordinary Shares, wherever resident. However, special rules may apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, a depository receipt issuer or clearance service provider, which are briefly summarised below, or persons such as market makers, brokers, dealers or intermediaries.

#### *Issue of Shares*

No UK stamp duty or stamp duty reserve tax ("**SDRT**") should ordinarily be payable on an issue of Ordinary Shares.

#### *Transfers of certificated Ordinary Shares*

Stamp duty at the rate of 0.5% (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Ordinary Shares. An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The purchaser or transferee of Ordinary Shares will generally be accountable for the SDRT. In the absence of contractual agreement no party is legally responsible for the payment of stamp duty as it is not an assessable tax, however, in practice the purchaser or transferee will usually pay stamp duty to ensure that the Company's Register of members can be updated by the registrar to show the new ownership.

#### *Ordinary Shares transferred through paperless means including CREST*

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system and to pay this to HMRC. The SDRT charge is generally borne by the purchaser. Under the CREST System, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the CREST System unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5% ) will arise.

#### *Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5%. Following litigation, HMRC confirmed that they will no longer seek to apply the 1.5% SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. It was announced on 22 November 2017 that the government will not seek to reintroduce this charge following the departure of the UK from the EU.

Based on current published HMRC practice and recent case law, no SDRT is generally payable where the transfer of shares to a clearance service or depositary receipt system is an integral part of an issue of share capital. Any liability for stamp duty or SDRT in respect of such a transfer that is not integral to an issue of share capital will generally be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

Transfers of Ordinary Shares within a depositary receipt system or a clearance service that has not made and maintained an election under section 97A of the Finance Act 1986 (a "**section 97A election**") will be exempt from SDRT and, provided no instrument of transfer is entered into, will not be subject to stamp duty.

Where a clearance service has made and maintained a section 97A election the 1.5% charge will not apply. Rather, stamp duty or SDRT will be charged at the normal rate of 0.5% on the transfer of existing shares into and within the clearance service.

**Accordingly, specific professional advice should be sought before incurring a 1.5% stamp duty or stamp duty reserve tax charge in any circumstances.**

#### ***Inheritance tax***

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions

and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

### ***Information reporting***

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard, the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions. In connection with agreements and arrangements of this kind, the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

Any person who is in any doubt as to their tax position or who may be subject to tax in any other jurisdiction should consult their professional adviser

## PART XIV

### CONSEQUENCES OF A STANDARD LISTING

Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company must comply with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with Admission;
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List, which therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted that certain acquisitions (for example, the Acquisition) will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for such an acquisition (subject to the Company having sufficient existing authorisation from Shareholders to issue such number of Ordinary Shares in relation to such acquisition on a non-pre-emptive basis);
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the independent Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2.; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Prospectus are themselves misleading, false or deceptive.**

## PART XV

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names appear on page 31, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus contains no omission likely to affect its import.

#### 2. The Company

2.1 The Company was incorporated in England and Wales on 20 February 2006 as a public company with limited liability under the Companies Act 1985 under the name ZimNRG plc, and re-registered with the name MetalNRG plc on 11 March 2016.

2.2 The Company is not regulated by the FCA or any financial services or other regulator. The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.3 As at the date of this Prospectus the Company has three subsidiaries; (1) MetalNRG Australia, which acts as a holding company; (2) Goldridge Holdings, which is incorporated in British Columbia and which serves as the operating company for the Company's gold mining asset in Arizona; (3) MetalNRG ECO Limited, a company incorporated in England and Wales.

2.4 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution.

2.5 The Company's registered office is at 1 Ely Place, London EC1N 6RY, United Kingdom. The Company's telephone number is +44 (0) 207 796 9060.

#### 3. Share capital

The following table shows the issued and fully paid shares of the Company at the date of this Prospectus:

<i>Class</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary Shares of 0.01p each	508,179,803	£5,081,798.03
Deferred Shares of 0.49p each	48,332,003	£236,827.00

3.1 On completion of the Placing, raising £2,300,000 and including the Exchange Shares, the issued and fully paid shares of the Company immediately following Admission is expected to be as shown in the following table:

<i>Class</i>	<i>Number</i>	<i>Amount paid</i>
Ordinary Shares	952,119,197	£9,521,191.97
Deferred Shares of 0.49p each	48,332,003	£236,827.00

3.2 The following changes have occurred since 28 February 2016:

- (a) on 11 March 2016, each of the issued ordinary shares of 0.5 pence was subdivided into one ordinary share of 0.01 pence and 1 deferred share of 0.49 pence;
- (b) on 31 March 2017, the Company issued 68,500,000 new Ordinary Shares at a price of 0.5 pence;
- (c) on 25 August 2017, the Company issued:
- (d) 1,000,000 Ordinary Shares at a deemed price of 1.5 pence per share as consideration (£15,000) to secure 100% of the rights over the licence applications in respect of the Palomino Project; and



- (e) 1,967,133 Ordinary Shares at a deemed price of 1.5 pence per share as consideration (£29,507) for an option fee in respect of an option over 81.82% of the equity in US Cobalt not then owned by the Company;
- (f) on 10 April 2018, the Company issued 2,000,000 Ordinary Shares at a deemed price of 1.5 pence per share as consideration for the grant of the licence applications in respect of the Palomino Project;
- (g) on 8 June 2018, the Company issued 15,750,000 Ordinary Shares at a price of 1 pence to certain shareholders, including Director, Christopher Latilla-Campbell, following the exercise of their 15,750,000 warrants, of which Christopher Latilla- Campbell exercised his 3,500,000;
- (h) on 8 June 2018, the Company issued 3,000,000 Ordinary Shares to Gervaise Heddle following the exercise of 3,000,000 options at 0.5 pence per share;
- (i) on 5 November 2018, the Company issued 21,942,576 Ordinary Shares at a price of 1.75 pence per share to Winston Gold in satisfaction of the consideration pursuant to the Gold Ridge Acquisition Agreement;
- (j) on 15 November 2018, the Company (i) issued 9,700,000 Ordinary Shares pursuant to the Strategic Financing (with each Ordinary Share issued pursuant to such Strategic Financing accompanied by one warrant to subscribe for one new Ordinary Share at an exercise price of 2 pence per share, expiring on 15 November 2020) and (ii) received notice that certain of the Directors would be subscribing for 8,500,000 Ordinary Shares in connection with the Directors' Options Exercise; and
- (k) on 15 December 2018, the Company issued 150,000 Ordinary Shares to Rolf Gerritsen at 2 pence per share.
- (l) on 23 July 2019, the Company issued 94,333,326 Ordinary Shares at a price of 0.3 pence per share to placees in a placing;
- (m) on 15 August 2019, the Company issued 2,500,000 Ordinary Shares credited as fully paid as to 0.3p per share to Rolf Gerritsen in satisfaction of a cash bonus award;
- (n) on 4 December 2019, the Company issued 59,540,461 Ordinary Shares at a price of 0.45 pence per share to placees in a placing; on 12 June 2020 the Company issued 5,000,000 Ordinary Shares at a price of 0.6 pence per share to Rolf Gerritsen on the exercise of 5,000,000 warrants;
- (o) on 29 November 2020, the Company issued 6,666,666 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 6,666,666 warrants;
- (p) on 21 January 2021, the Company issued 13,333,332 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 13,333,332 warrants;
- (q) on 4 February 2021, the Company issued 38,999,999 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 38,999,999 warrants;
- (r) on 4 February 2021, the Company issued 6,637,168 Ordinary Shares credited as fully paid as to 0.68p on the capitalization of a short-term unsecured loan of £53,500;
- (s) on 4 February 2021, the Company issued 5,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £30,000 in par value of convertible loan notes;
- (t) on 8 February 2021, the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500;
- (u) on 19 February 2021, the Company issued 1,6069,589 Ordinary Shares credited as fully paid as to 0.73p to Rolf Gerritsen on his election to take a bonus of £11,750 in shares;

- (v) on 24 February 2021, the Company issued 40,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £240,000 in par value of convertible loan notes;
  - (w) on 24 February 2021, the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500; and
  - (x) 24 March 2021 the Company issued 13,862,348 Ordinary Shares credited as fully paid at a price of 0.62p on the capitalisation of an aggregate of £85,600 of short-term debt and accrued interest.
- 3.3 By resolution passed on 9 December 2020, the Company granted the following powers and authorities to the Directors to issue ordinary shares:
- (a) the Directors were generally and unconditionally authorised pursuant to section 551 of the UK Companies Act 2006 (the “Companies Act”) to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into such shares (all of which transactions are referred to hereafter as an allotment of “relevant securities”) up to an aggregate amount of (i) up to £187,503 in connection with the issue of consideration shares to the shareholders of Lake Victoria Gold Ltd; and (ii) up to £8,107 and the conversion of convertible loan notes; (ii) up to £120,608 in connection with a placing . The authority conferred by this resolution expires at the conclusion of the annual general meeting (“AGM”) to be held in 2021, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied; and
  - (b) the Directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined by section 560 of the Companies Act) for cash up to an aggregate amount of (i) up to £120,608 in connection with the Placing; and (iv) up to £5,571 generally as if section 561 of the Companies Act did not apply to any such allotment. This power expires at the conclusion of the AGM to be held in 2021, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.
- 3.4 The provisions of section 551 of the Companies Act, which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up fully in cash, other than by way of allotment to employees under an employee share scheme (as defined in section 1166 of the Companies Act) will apply to the ordinary share capital of the Company, to the extent that such rights are not disapplied by special resolution by the shareholders pursuant to section 570 of the Companies Act in accordance with paragraph 3.3 above or otherwise.
- 3.5 Save as disclosed in this Prospectus:
- (a) no Ordinary Share or loan capital of the Company has been issued or is proposed to be issued;
  - (b) no person has any preferential subscription rights for any Ordinary Shares in the Company;
  - (c) no Ordinary Share or loan capital of the Company is unconditionally to be put under option;
  - (d) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company;
- 3.6 Save as set out below the Company does not have any convertible securities, exchangeable securities or securities with warrants currently in issue.
- (a) On 17 July 2019, 89,333,326 warrants to acquire Ordinary Shares were issued to investors in connection with a placing. The warrants are exercisable at a price of 0.6 pence per share and are exercisable at any time up to 23 July 2021. As at the date of this Prospectus 30,333,329 of the warrants remain unexercised;

- (b) The share options set out in the table in paragraph 6 of this Part XV – Additional Information of this Prospectus; and
  - (c) Riverfort has the rights to call for the issue of 21,417,419 warrants on the repayment or capitalisation of amounts due to it under the terms of the Riverfort Agreement.
- 3.7 All Ordinary Shares in the capital of the Company are in registered form.
- 3.8 The Ordinary Shares will be readmitted to a Standard Listing on the Official List and traded on the Main Market for listed securities of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- 3.9 The Company has Ordinary Shares and Deferred Shares in issue and no shares which do not represent capital. The Deferred Shares carry no voting rights and have no economic value.
- 3.10 No Ordinary Shares are held by or on behalf of the Company or by any subsidiary of the Company.

#### **4. Articles**

- 4.1 The Articles of the Company were adopted by a special resolution of the Shareholders passed on 11 March 2016. A summary of the terms of the Articles is set out below. The summary below is not a complete copy of the terms of the Articles.
- 4.2 The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Companies Act, the Company's objects are unrestricted.
- 4.3 The Articles contain, inter alia, provisions to the following effect:

##### **(a) Share capital**

The Company's Issued Share Capital currently consists of Ordinary Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

##### **(b) Voting**

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Such notice shall specify whether the meeting shall be a physical or electronic meeting or a hybrid meeting. Any resolution put to the vote of a general meeting may, in first instance and assuming no poll has been demanded in advance, be determined on a show of hands. Votes may be given in person at the meeting or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. Every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him. Variation of rights

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class and may be so varied and abrogated whilst the Company is a going concern or during or in contemplation of a winding up.

##### **(c) Dividends and Distributions on Liquidation**

The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Companies Act in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares.

Any dividend unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and shall revert

to the Company. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

In the event of a liquidation or winding up of the Company, the assets of the Company available for distribution to members shall be distributed amongst all the holders of Ordinary Shares, in proportion to the number of Ordinary Shares held irrespective of the amount paid or credited as fully paid.

(d) Transfer of Ordinary Shares

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system'.

The Board may, in its absolute discretion, refuse to register a transfer of certificated shares unless:

- (A) it is for a share which is fully paid up;
- (B) it is for a share upon which the Company has no lien;
- (C) it is only for one class of share;
- (D) it is in favour of a single transferee or no more than four joint transferees;
- (E) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and
- (F) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

(e) Allotment of shares and pre-emption rights

Subject to the Companies Acts, the Articles and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount to the nominal value of such share.

Subject to the Companies Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with section 551 of the Companies Act, the Directors may be generally and unconditionally authorised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorising such allotment. The authorities referred to in paragraph

3.3(a) and 3.3(b) above were included in the special resolution passed at the 2020 AGM and remain in force at the date of this Prospectus.

The provisions of section 561 of the Companies Act (which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied by special resolution of the Company. Such pre-emption rights have been disapplied to the extent referred to in paragraph 3.3(b) above pursuant to the special resolution passed on the adoption of the Articles.

(f) Alteration of share capital

The Company may by ordinary resolution consolidate or divide all of its share capital into shares of larger nominal value than its existing shares, or cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of shares so cancelled or sub-divide its shares, or any of them, into shares of smaller nominal value.

The Company may, in accordance with the Companies Act, reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

(g) Directors

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be at least two and not more than fifteen (15).

Subject to the Articles and the Companies Acts, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

Subject to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

At each annual general meeting of the Company one third of the Directors shall retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held.

Subject to the Companies Acts, the Articles and to any directions given by special resolution of the Company, the business of the Company will be managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business or not.

The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two.

Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of the Articles) must not exceed £2,000,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this provision shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of the Articles and shall accrue from day to day.

The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or

class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Companies Act to avoid conflicts of interests.

A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of their interest in a conflict as soon as is reasonably practicable.

The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

Any authorisation by the Board will be effective only if:

- (A) to the extent permitted by the Companies Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
- (B) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and
- (C) the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.
- (D) Subject to the provisions of the Companies Act, every Director, secretary or other officer of the Company (other than an auditor) is entitled to be indemnified against all costs, charges, losses, damages and liabilities incurred by him in the actual purported exercise or discharge of his duties or exercise of his powers or otherwise in relation to them.

(h) General meetings

The Company must convene and hold AGMs in accordance with the Companies Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a Chair of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(i) Borrowing powers

Subject to the Articles and the Companies Act, the Board may exercise all of the powers of the Company to:

- (A) borrow money;
- (B) indemnify and guarantee;
- (C) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company;
- (D) create and issue debentures and other securities; and
- (E) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(j) Capitalisation of profits

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

(k) Uncertificated shares

Subject to the Companies Act and the uncertificated securities rules, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is at the relevant time a participating class

The Board may also, subject to compliance with the uncertificated securities rules, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system.

The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertified share or otherwise to enforce a lien in respect of it.

**5. Other relevant laws and regulations**

**5.1 *Mandatory bid***

(a) The City Code on Takeovers and Mergers (the "**Takeover Code**") applies to the Company. Under the Takeover Code, where:

- (A) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (B) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

- (b) An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with him during the 12 months prior to the announcement of the offer.
- (c) Under the Takeover Code, a 'concert party' arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through the acquisition by them of an interest in shares in a company,

to obtain or consolidate control of the company. 'Control' means holding, or aggregate holdings, of an interest in shares carrying 30% or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

## 5.2 **Squeeze-out**

- (a) Under sections 979 to 982 of the Companies Act, if an offeror were to acquire 90% of the Ordinary Shares it could then compulsorily acquire the remaining 10%. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is not one to which section 943(1) of the Companies Act applies, the period of six months beginning with the date of the offer.
- (b) Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.
- (c) The Company will hold the consideration on trust for the outstanding Shareholders.

## 5.3 **Sell-out**

- (a) Sections 983 to 985 of the Companies Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relating to all the Ordinary Shares is made at any time before the end of the period within which the offer could be accepted and the offeror held or had agreed to acquire not less than 90% of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.
- (b) If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 5.4 **Shareholder notification and disclosure requirements**

- (a) Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3% of the nominal value of the Company's share capital or any 1% threshold above that.
- (b) The DTRs can be accessed and downloaded from the FCA's website at <https://www.handbook.fca.org.uk/handbook/DTR/>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

## 6. **Directors' and Senior Manager's interests**

6.1 The interests of the Directors and the Senior Manager in the Ordinary Shares as at the Latest Practicable Date and at Admission are as follows:



*As at the date of this Prospectus*

*As at Admission*

<i>Name</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of the issued Ordinary Shares held</i>	<i>No. of Ordinary Shares held</i>	<i>Percentage of the issued Ordinary Shares held</i>
Christopher Latilla- Campbell (1)	44,277,904	8.71%	44,277,904	4.65%
Rolf Gerritsen	21,851,035	4.29%	21,851,035	2.29%
Christian Schaffalitzky	12,099,999	2.38%	12,099,999	1.27%
Pierpaolo Rocco	11,430,148	2.25%	11,430,148	1.20%

(1) Christopher Latilla-Campbell's interests includes 24,750,000 shares held by Buchanan Trading Inc., in whose shares he is deemed to be interested, as he is a potential beneficiary of a discretionary trust which controls it.

The Directors and Senior Manager hold the following options to acquire Ordinary Shares.

<b>Name</b>	<b>No. of options held</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
R. Gerritsen	4,477,612	0.67p	01 February 2024
P. Rocco	4,477,612	0.67p	01 February 2024
W. Callaghan	2,238,806	0.67p	01 February 2024
R. Gerritsen	1,500,000	0.67p	01 February 2024
C. Latilla Campbell	1,500,000	0.67p	01 February 2024
P. Rocco	1,500,000	0.67p	01 February 2024
C. Schaffalitzky	1,500,000	0.67p	01 February 2024

6.2 The Directors and the Senior Manager have not held any directorships of any company (other than the Company and its subsidiaries) or partnerships within the last five years, except as set forth below:

**Christopher Latilla-Campbell**

*Current*

Dougalston Limited  
Industrial & Commercial Holding plc  
Marlands Estates Limited  
Starmer Limited  
Tennyson Dollar Investments Limited  
Tennyson Sterling Investments Limited  
Afpenn Lupane Developments (Private) Limited  
Ukhozi Resources Limited  
Frank Watson and Company (Private) Limited  
Biscay Investments Limited  
London Finance and Investments Corporation Limited

*Past*

Tennyson Investments (UK) Limited  
Lengau Resources plc  
18 Moreton Terrace Management Company Limited  
Ukhozi Limited

**Rolf Gerritsen**

*Current*

Pearman Investments LLP  
RCA Associates Limited

*Past*

Strategic Global Minerals Limited  
ECRG Limited  
Cobra Resources plc

**Christian Schaffalitzky**

*Current*

Shafman Agents Ltd  
Eurasia Mining (UK) Limited

*Past*

Two Shields Investments plc  
Sloane Developments Limited

Eurasia Mining plc  
Sloane Developments Limited

East India Devonshire Sports and Public  
Schools Club Limited  
Prospex Energy plc

**Pierpaolo Rocco**

*Current*  
Old Compton Associates Limited  
Shona Resources Limited  
BritNRG Limited  
Sunswept Enterprises Limited  
Blackland Park Exploration Limited  
Eagle Oil Services Limited  
Laughton Oil and Gas Ltd  
Altaquest Oil Products Limited  
Altaquest Energy Corporation (UK) Limited  
Courage Energy (UK) Limited  
Eaglestone Petroleum Limited

*Past*  
Astra Engineering Ltd  
Deltasource Limited

**Noel (Windell) Callaghan**

*Current*  
Cindele Ltd  
Equity Resources Ltd  
Bulura Investments Ltd

*Past*  
None

6.3 None of the Directors or the Senior Manager:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- (c) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

6.4 None of the Directors or the Senior Manager has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have.

6.5 Save as set out below, the Directors and the Senior Manager are not aware of any person who, directly or indirectly, had an interest in 3% or more of the voting rights of the Company as at the date of publication of this Prospectus and immediately following Admission (on the basis that 443,939,394 New Ordinary Shares will be issued in connection with Admission):

<i>Name</i>	<i>As at the date of this Prospectus</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of the Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Enlarged Issued Share Capital</i>
Edward Peter Spencer and Sarah Louise Spencer	83,600,001	16.45%	83,600,001	8.78%
Buchanan Trading Inc.	24,750,000	4.87%	24,750,000	2.59%
Gervaise Heddle	15,546,967	3.32%	15,546,967	1.72%

- 6.6 As at the Latest Practicable Date, the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 6.7 Those interested, directly or indirectly, in 3% or more of the issued Ordinary Shares of the Company (as set out in paragraph 6.5 above) do not now, and, following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.

## **7. Share Option Plan**

The MentalNRG plc Share Option Plan (the "**Share Option Plan**"), which was adopted on 19 February 2021 allows for the grant of the Options. The material terms of the Share Option Plan are summarized below.

The Company may grant an Option to any director or employee it chooses during (i) the period of 42 days immediately following a closed period (as defined in the Market Abuse Regulation) or (ii) any period which the Board deems to be exceptional circumstances. An Option must be granted using an option certificate (an "Option Certificate") executed as a deed in a form approved by the Board.

The Exercise Price of an Option shall be specified in each Option Certificate, although may not be less than the nominal value of an Ordinary Share.

### **Overall Limits on Grants**

No Option shall be granted if that grant would result in the total number of Dilutive Shares exceeding 10% of the issued share capital of the Company.

### **Lapse of Options**

Options (and any rights arising under them) may not be transferred or assigned, or have any charge or other security interest created over them. An Option shall lapse if the relevant Option holder attempts to do any of those things. However, the transfer of an Option to an Option holder's personal representatives on the death of the Option holder will not cause an Option to lapse.

### **Takeovers**

If any person (the "Offeror") (i) makes an offer to acquire the whole of the issued share capital of the Company which is made on a condition such that, if it is satisfied, the Offeror will have control of the Company; or (ii) makes an offer to acquire all the Ordinary Shares in the Company; or (iii) negotiates a share sale and purchase agreement with the shareholders of the Company which contemplates that the Offeror will obtain control of the Company upon completion, then any Option may be exercised within a reasonable period to be specified by the Board for that purpose and ending immediately before the Offeror obtains control of the Company as a result of the offer or the share sale and purchase agreement. If any person obtains control of the Company (the "Controller"), then any Option may be exercised within six weeks after the time when the Controller has obtained control of the Company.

### **Variation of Share Capital**

If there is any variation of the share capital of the Company (whether that variation is a capitalization issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise), which affects (or may affect) the value of Options to Option holders, the Board may adjust the number and description of Ordinary Shares subject to each Option and/or the Exercise Price of each Option in a manner which the Board, in its reasonable opinion, considers to be fair and appropriate.

### **Non-Employee Sub-Plan**

Under the Non-Employee Sub-Plan, options may be granted to advisers, consultants and non-executive directors on terms comparable to those described above.

## 8. Terms and conditions of the Warrants

### 8.1 *Summary of the terms of all classes of the warrants*

The following summary is common to the terms of each of the Warrants unless the context requires otherwise, each of the following expressions has the following meanings:

<b>"Certificate"</b>	in relation to a Warrant, a certificate evidencing a Warrantholder's entitlement to Warrants.
<b>"Exercise Date"</b>	(i) in relation to a Warrant which is in certificated form, the date of delivery to the registered office of the Company of the items specified in the Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company's registered office) or if not a Business Day then the immediately following Business Day; and  (ii) in relation to a Warrant which is in uncertificated form, the date of receipt of the properly authenticated dematerialised instruction and/or other instruction or notification.
<b>"Notice of Exercise"</b>	in relation to a Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the certificate for such Investor.
<b>"Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755) (as amended from time to time).
<b>"stock account"</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited.
<b>"Subscription Price"</b>	subject to the provisions of the relevant Warrant instrument: 0.6 pence in the case of the Warrants expiring on 23 July 2021; and 1 pence in the case of the New Warrants expiring on 14 May 2023; and 0.6 pence in the case of the Riverfort Warrants are likely to expire on various dates in 2023 and 2024 (as may be adjusted from time to time).
<b>"Subscription Rights"</b>	the rights of the Warrantholders to subscribe for Ordinary Shares pursuant to the Warrants on the terms and subject to the conditions of the Warrant instrument.
<b>"Warrantholder(s)"</b>	the person(s) in whose name(s) a Warrant is registered in the Register from time to time.

#### (a) *Subscription Rights*

Warrantholders are entitled in respect of every one Warrant held to subscribe for one Ordinary Share in the Company at a price per share equal to the relevant Issue Price. The Warrants registered in a Warrantholder's name will be evidenced by a Certificate issued by the Company.

Each Warrant may be exercised by Warrantholders at any time after the date on which the Warrants are issued and before the relevant expiry dates set out above.

In order to exercise the whole or any part of its holding of Warrants held in certificated form, a Warrantholder must deliver to the Company before the specified expiry date a Notice of Exercise together with the relevant Certificate and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary

Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Warrants which are being exercised.

In order to exercise the whole or any part of its holding of Warrants in uncertificated form, a Warrantholder must deliver to the Company before the Final Subscription Date a properly authenticated dematerialised instruction and/or other instruction or notification together with the payment transfer for the aggregate amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Subscription Rights.

Once delivered to the Company a Notice of Exercise shall (save with the consent of the Company) be irrevocable.

To the extent that Ordinary Shares to be allotted and issued on the exercise of Warrants held in certificated form, the Company shall deliver a share certificate for the Ordinary Shares so allotted to the relevant Warrantholder by no later than 28 days after such Notice of Exercise was delivered to the Company.

To the extent that Ordinary Shares to be allotted and issued on the exercise of Warrants held in uncertificated form through CREST, the Company shall procure that Euroclear is instructed to credit to the stock account of the relevant Warrantholder entitlements to such Ordinary Shares.

Ordinary Shares allotted pursuant to the exercise of Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the Articles, shall be entitled in full to all dividends and distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant Notice of Exercise was delivered to the Company and shall otherwise rank *pari passu* in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.

Warrants shall be deemed to be exercised on the Exercise Date.

(b) *Adjustment of Subscription Rights*

Upon the occurrence of a reorganisation or reclassification of the share capital of the Company, or an issue of new shares, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Company (each, an "**Adjustment Event**") after the date on which any Warrants are granted, the number of Ordinary Shares which are the subject of the Warrants and the Subscription Price payable on the exercise of Warrants shall be adjusted either in such manner as the Company agree in writing is appropriate or, failing agreement, in such manner as the auditors of the Company shall certify is appropriate.

The Company shall not implement an Adjustment Event if it would otherwise result in the Subscription Price payable per Ordinary Share on the exercise of the Warrants being less than the nominal value of an Ordinary Share.

No exercise of Warrants shall result in the issue of a fraction of an Ordinary Share. Any fractional entitlements to Ordinary Shares arising as a result of an adjustment shall be rounded down to the nearest whole Ordinary Share.

(c) *Winding-up of the Company*

If, at any time when any Subscription Rights are exercisable, an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected then:

- (A) if such winding-up or dissolution is for the purpose of a reconstruction or amalgamation pursuant to a scheme of arrangement to which any Warrantholder has consented in writing, the terms of such scheme of arrangement will be binding on such Warrantholder; or
- (B) in any other case, the Company shall forthwith notify the Warrantholder stating that such an order has been made or resolution has been passed or other

dissolution is to be effected and the Warrantholder shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Ordinary Shares, such a sum, if any, as it would have received had it been the holder of and paid for the Ordinary Shares to which it would have become entitled by virtue of such exercise, after deducting from such sum an amount equal to the amount which would have been payable by it in respect of such Ordinary Shares if it had exercised all its Warrants, but nothing contained in this paragraph shall have the effect of requiring the Warrantholder to make any actual payment to the Company.

The Warrants lapse on a dissolution or winding-up of the Company.

(d)

*Undertakings*

Unless otherwise authorised in writing by the Warrant holder(s) holding the majority of the outstanding Warrants from time to time:

- (A) the Company shall maintain all necessary authorisations pursuant to the Act to enable it to lawfully and fully perform its obligations under the Warrant instrument to allot and issue Ordinary Shares upon the exercise of all Warrants remaining exercisable from time to time;
- (B) if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the share capital of the Company, the Company will as soon as possible give notice of such offer to the Warrantholders and use its best endeavours to procure that a full and adequate opportunity is given to the Warrantholders to exercise the Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Warrants. The publication of a scheme of arrangement providing for the acquisition by any person of the whole or any part of the share capital of the Company shall be deemed to be the making of an offer and references herein to such an offer shall be read and construed accordingly;
- (C) if at any time an offer or invitation is made by the Company to the holders of Ordinary Shares for the purchase by the Company of any of the Ordinary Shares, the Company shall simultaneously give notice thereof to the Warrantholders who shall be entitled, at any time while such offer or invitation is open for acceptance, to exercise their Warrants on the terms (subject to any adjustments) on which the same could have been exercised and as if the same had been exercised on the day immediately preceding the record date for such offer or invitation;
- (D) the Company shall supply to the Warrantholders copies of all notices of meetings, annual reports and accounts and all documents required by law to be annexed thereto and all statements, circulars and other communications to its Shareholders at the same time as they are despatched to its Shareholders.

(e)

*Modification of Rights*

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a Special Resolution of the Warrantholders and the agreement of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Warrant instrument.

All the provisions of the Articles for the time being of the Company relating to general meetings shall apply mutatis mutandis as though the Warrants were a class of shares forming part of the share capital of the Company except that:

- (A) the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for 10% in nominal amount of the Ordinary Shares attributable to the outstanding Warrants;
- (B) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Warrants held by him; and
- (C) any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

(f) *Transfer*

The Warrants shall be in registered form and shall be transferable by instrument in writing in the usual common form (or in such other form as the Directors may reasonably approve). A Warrantholder's holding of Warrants may be transferred in whole or in part, but no transfer of a right to subscribe for a fraction of an Ordinary Share shall be affected.

(g) *Purchase*

The Company and its subsidiaries shall have the right to purchase Warrants in the market, by tender or by private treaty or otherwise.

All Warrants purchased or surrendered shall forthwith be cancelled and shall not be available for reissue or resale.

(h) *Tradability*

The Warrants shall not be listed or traded on a recognised stock exchange.

(i) *Governing Law and Jurisdiction*

The provisions of the Warrant instrument and the Warrants shall be subject to and governed by English law and each of the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Warrant instrument.

## 9. Working capital

In the opinion of the Company: (i) taking into account the Net Placing Proceeds of £1,800,000 of the Placing receivable by the Company, the working capital available to the Group is sufficient for the Group's present requirements, that is, for a least 12 months from the date of this Prospectus.

## 10. Capitalisation and indebtedness

As at the date of this Prospectus, the Company has £794,580 of unsecured debt made up of £400,000 of unsecured debt under the Riverfort Facility; and £1,525 from Lloyds Bank plc in the form of a Government backed bounce-back loan, £393,055 of other unsecured creditors and no other guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's Existing Issued Share Capital consists of 494,317,455 Ordinary Shares with no legal reserve or other reserves.

## 11. Significant change

Save for the following, there has been no significant change in the financial position and financial performance of the Group since 31 December 2020, being the end of the last financial period for which financial information, as explained in *Part XIX – Documents incorporated by reference* of this Prospectus, has been published to the date of this Prospectus:

- on 21 January 2021 the Company issued 13,333,332 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 13,333,332 warrants;
- on 4 February 2021 the Company issued 38,999,999 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 38,999,999 warrants;
- on 4 February 2021 the Company issued 6,637,168 Ordinary Shares credited as fully paid as to 0.68p on the capitalization of a short-term unsecured loan of £53,500;

- on 4 February 2021 the Company issued 5,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £30,000 in par value of convertible loan notes;
- on 8 February 2021 the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500;
- on 19 February 2021 the Company issued 1,609,589 Ordinary Shares credited as fully paid as to 0.73p to Rolf Gerritsen on his election to take a bonus of £11,750 in shares;
- on 24 February 2021 the Company issued 40,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £240,000 in par value of convertible loan notes; and
- on 24 February 2021 the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500;
- on 21 March 2021 the Company entered into the Framework Partnership Agreement and the Share Exchange Agreement with EQTEC PLC pursuant to which it agreed, *inter alia*, to effect the Share Exchange and agree a framework for collaboration on future potential projects
- on 12 June 2020 the Company issued 5,000,000 new Ordinary Shares to Rolf Gerritsen at a price of 0.6p per share pursuant to this exercise of 5,000,000 warrants;
- on 26 June 2020 the Company issued £369,976 in par value of convertible loan notes ("CLNs") with an interest rate of 10% per annum which are convertible at a price of 0.6 pence per share of 85% of the volume weighted average share price over a ten day period prior to conversions;
- on 9 August 2020 the Company agreed to subscribe for convertible loan notes in tranche payments, and on 13 January 2021, executed a conditional shareholders agreement giving the Company the right to become the holder of a 50% interest in BritNRG. The Company committed to invest in aggregate £475,000 in the convertible loan notes issued by BritNRG, of which £300,000 has been paid;
- on 29 November 2020 the Company issued 6,666,666 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 6,666,666 warrants;
- on 21 January 2021 the Company issued 13,333,332 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 13,333,332 warrants;
- on 4 February 2021 the Company issued 38,999,999 Ordinary Shares credited as fully paid as to 0.6p on the exercise of 38,999,999 warrants;
- on 4 February 2021 the Company issued 6,637,168 Ordinary Shares credited as fully paid as to 0.68p on the capitalization of a short-term unsecured loan of £53,500;
- on 4 February 2021 the Company issued 5,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £30,000 in par value of convertible loan notes;
- on 8 February 2021 the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500;
- on 19 February 2021 the Company issued 1,609,589 Ordinary Shares credited as fully paid as to 0.73p to Rolf Gerritsen on his election to take a bonus of £11,750 in shares;
- on 24 February 2021 the Company issued 40,000,000 Ordinary Shares credited as fully paid as to 0.6p on the conversion of £240,000 in par value of convertible loan notes;
- on 24 February 2021 the Company issued 8,663,967 Ordinary Shares credited as fully paid as to 0.62p on the capitalization of a short-term unsecured loan of £53,500;
- on 3 March 2021 the Company drew down a third tranche of debt under the Riverfort Agreement in the sum of £200,000 giving net proceeds of £180,000;
- on 21 March 2021 the Company entered into the Framework Partnership Agreement with EQTEC PLC pursuant to which it agreed, *inter alia*, to effect the Share Exchange and agree a framework for collaboration on future potential projects; and
- on 24 March 2021 the Company issued 13,862,348 Ordinary Shares credited as fully paid at a price of 0.62p on the capitalisation of an aggregate of £85,600 of short-term debt and accrued interest.



## **12. Current investments**

The Company currently has: (i) a commitment to invest a total of £472,000 (of which £300,000 has been called and paid) in BritNRG by way of convertible loan notes (and if the loan notes are converted will be equal to 50% interest in that entity with a casting vote at Board level, thereby conferring control upon the Company); (ii) a 9.9% interest in IMC, the Company's partner in the Uranium Project; and (iii) a 3.8% interest in Lake Victoria Gold Limited.

## **13. Investments in progress**

The Company has no investments in progress other than the Share Exchange.

## **14. Litigation**

There are currently no proceedings against the Company or its wholly-owned subsidiaries and there have been no governmental, legal or arbitration proceedings and neither the Company nor any of its subsidiaries are aware of any governmental legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time since the Company's incorporation or the incorporation of each subsidiary, which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or each subsidiary.

## **15. Net Placing Proceeds**

The total costs and expenses relating to the Placing which are payable by the Company are estimated to amount to £500,000 (excluding any applicable VAT) and accordingly the Net Placing Proceeds which the Company is expected to raise by the Placing are approximately £1,800,000.

## **16. Material contracts of the Company**

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company (including the Subsidiaries) since the Company's incorporation which: (i) are, or may be, material to the Company (or the Subsidiaries); or (ii) contain obligations or entitlements which are, or may be, material to the Company (or the Subsidiaries) as at the date of this Prospectus.

### **16.1 Uranium Project**

On 16 August 2018, the Company signed an option agreement with IMC (the "**Option Agreement**") to acquire a majority interest in the Uranium Project in the Kyrgyz Republic. The Uranium Project is currently operated by IMC via its subsidiary CJSC IMC. CJSC IMC is the holder of the Mining Licence. Under the Option Agreement the Company could own 51% of the issued share capital in Newco and IMC would own the remaining 49%. On 5 December 2018, the Company entered into the Amended Option Agreement to restructure the cash payments paid by the Company in order to progress the application of the Mining Licence.

In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban. Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder. To date and in light of continuing negotiations the right to terminate has not been exercised.

### **16.2 Broker agreement**

A broker agreement dated 30 January 2018 between the Company and SI Capital, pursuant to which the Company appointed SI Capital as the Company's broker as from Admission and for an initial period of 12 months and continuing thereafter until terminated by either party giving the other three months' notice. Pursuant to the broker agreement, the Company has agreed to pay to SI Capital an annual retainer fee of £15,000 (together with any applicable VAT) payable quarterly in advance, the first payment being due on the day of Admission.

### 16.3 **Engagement letters relating to the Placing**

The Company has entered into an engagement letter with (i) SI Capital, dated 5 March 2021; and Peterhouse, dated 5 March 2021, pursuant to the terms of which each SI Capital and Peterhouse, respectively, have agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, as the Company's agents in the Placing.

The engagement letters contain certain warranties and indemnities from the Company in favour of SI Capital and Peterhouse and are conditional, *inter alia*, on:

- (i) the allotment of the New Ordinary Shares; and
- (ii) Admission occurring by not later than 8:00 a.m. on 14 May 2021 (or such other time and/or date as SI Capital, Peterhouse and the Company may agree), being not later than 28 May 2021.

SI Capital and Peterhouse may terminate the engagements in certain circumstances prior to Admission including, *inter alia*, if there shall have been a material adverse change.

The engagement letters provide for SI Capital and Peterhouse to receive, conditional upon Admission:

- (i) a commission fee equal to 7% of the Gross Placing Proceeds (excluding, for the avoidance of doubt any Placing Shares taken by SI Capital, Peterhouse or the Directors);
- (ii) a total of 7,666,667 New Warrants.

### 16.4 **Warrant Instruments**

The terms of the warrant instruments are set out at paragraph 8, above.

### 16.5 **Convertible Loan Note Instrument**

On 26 June 2020 the Company executed a loan note instrument and issued £375,000 in par value CLNs. The CLNs carry an interest rate of 10% per annum and are convertible at a price of 0.6 pence per share of 85% of the volume weighted average share price over a 10-day period prior to conversion. The CLNs have now been converted or repaid in full,

### 16.6 **Unsecured Facility Agreement with Riverfort Global Opportunities PCC Ltd**

The Company entered into an unsecured facility agreement with Riverfort Global Opportunities PCC Ltd ("**Riverfort**") on 3 July 2020. Riverfort agreed to lend to the Company up to £1,000,000 which is to be deployed for the working capital purposes of the Company.

Riverfort made an initial advance of £180,000 (£171,000 net to the Company) on the date of the agreement being 3 July 2020 a further second advance of £200,000 (£180 net to the Company was made on 15 October 2020); and this advance of £200,000 (£180,000 net to the Company) was made on 3 March 2021. Any initial or further advance shall be subject to and conditional upon the warranties being materially true and accurate, that no event of default has occurred and is continuing and that both parties have executed a closing statement in accordance with the agreement. Further, the Company will have to comply with the anti-money laundering requirements, and shall be bound with its obligations under the agreement and will provide all information required to satisfy the conditions precedent. Any initial or further advance will also be subject and conditional on the trading of the ordinary shares of the Company on the London Stock Exchange not ceasing or being suspended, or being threatened with the same. Riverfort is entitled to deduct and retain 5 per. cent. of the initial or any further advance amount as well as the amount of all actual mutually agreed expenses incurred by it up to £3,000. The interest rate on all advance is 7% per annum. Riverfort are entitled to warrants in respect of all advances made equal to a formula based on 30% of the sums advanced. Under the terms of the Riverfort Agreement advances are repayable within six months of draw down unless enforced by Riverfort.

With respect to any further advance, and subject always to the above, Riverfort may in its absolute discretion lend to the Company provided the Company procures the relevant corporate authorities and or any consents needed to give effect to any such further advance, and will enter into a repayment schedule which shall be set out in the closing statement pertaining to that further advance. Riverfort may agree to waive any conditions(s) to a further advance and any waiver by it shall be made in writing and delivered to the Company.

If the Company fails to pay the initial advance as set out above, or any outstanding interest on the maturity date falling 3 January 2021, (subsequently extended to 30 April 2021) then the relevant maturity date shall be automatically extended for a period of six months. The Company may pre-pay the whole advance or an amount not less than £50,000 (together with all accrued interest and any outstanding fees). The interest coupon shall be seven per. cent. of an advance and is calculated as a fixed coupon and payable on a relevant maturity date.

Riverfort has the right to convert the principal amount of the relevant advance or any interest relating to it, to be converted into ordinary shares in the Company as per the terms of the agreement.

On 2 March 2021 the Company and Riverfort entered into a supplemental agreement pursuant to the terms of which the Company agreed to a variation in the formula for the fixing of the exercise price of the Riverfort Warrants (which are due to Riverfort in an amount equal to 30% of all advances under the Riverfort Agreement at a specified reference price) so that the exercise price for the 23,995,030 warrants due to Riverfort shall be the lower of the closing price of the Company's share on 2 March 2021 and the date falling on the latest practicable date prior to Admission. In the event that the Riverfort Warrants are not issued prior to 30 April 2021, the Company must pay £200,000 to Riverfort. Until such time as the Company has repaid Riverfort in full it must ensure that it retains sufficient headroom to issue 23,955,030 new Ordinary Shares to Riverfort, who have the ability to convert the outstanding debt into ordinary shares in the event that it is not repaid in accordance with its terms.

#### 16.7 ***Shareholders Agreement relating to BritNRG***

On 11 June 2020, the Company announced it had entered into a heads of terms agreement with BritENERGY LLP in relation to the proposed acquisition of Sunswept Enterprises Limited. The Company is now party to a conditional shareholders' agreement dated 13 January 2021 (the "**SHA**") which will, on conversion of the convertible notes held by MetaINRG, result in the transfer 100% of the equity capital held by the sole shareholder in the acquisition company, BritNRG, to the Company and the joint venture partner BritENERGY LLP (the "**JV Party**").

The Company, the JV Party and BritNRG have entered into the SHA to regulate the future relationship between the Company and the JV Party (when they become joint owners of the equity share capital of BritNRG) with the overarching purpose to ensure that the BritNRG is capable of carrying out its business effectively, independently and to the best interest of the parties.

Upon execution of the SHA, the JV Party agrees to finance the SPV as set out in the schedule to the SHA, as well as contributing to the SPV technical, financial and commercial due diligence and it shall acquire by transfer of five hundred (500) fully paid ordinary shares (representing 50% of the entire issued share capital of the BritNRG).

Upon execution of the SHA, the Company agreed to finance Brit NRG in the amount of up to £475,000, the first tranche of such financing being in the form of a convertible loan, issued per the terms of a schedule to the SHA, the terms of which provide that the loan can convert at any time into shares five hundred (500) fully paid ordinary shares fully paid ordinary shares (representing 50% of the entire issued share capital of BritNRG). The first tranche of £25,000 was paid upon signing of the heads of terms on 11 June 2020, the second tranche of £300,000 was paid on 13 January 2021 and the final tranche of £150,000 is due to be paid in early late April 2021 out of the proceeds of the Placing. When the convertible loans are converted and the Company holds an equity interest in BritNRG, the Company will have two Board representatives as will the JV Party, with the Company having a casting vote in the event of impasse.

The Company has agreed, at its discretion, to provide BritNRG with a loan facility, for the purpose of providing BritNRG with development capital, up to one million five hundred thousand pounds (£1,500,000). There is no firm commitment to provide this loan facility on the part of the Company at the current time and no terms have yet been agreed; any advance will be considered in light of the progress made with the current work program proposals and the outcome of those work programs.

16.8 **Framework Partnership Agreement and Share Exchange Agreement**

On 21 March 2021, the Company and EQTEC PLC signed the Framework Partnership Agreement, and the Share Exchange Agreement pursuant to which the Company agreed to exchange Ordinary Shares with a value of £500,000 with EQTEC PLC and to enter into a collaboration framework agreement to participate in future potential projects.

The 27,932,961 EQTEC Shares will be issued to the Company on or about 14 May 2021 and the Company will issue the 60,606,061 Exchange Shares to EQTEC on Admission.

17. **Related party transactions**

17.1 There is no individual with ultimate overall control of the Company.

17.2 C.P. Latilla-Campbell is a director and shareholder of the Company and also a director and sole shareholder of London Finance & Investment Corporation Limited ("**LFIC**"). Accountancy charges incurred by the Company amounting to £3,000 (2019: £3,000) represent proportional recharges in respect of the time spent on Company business by the LFIC company accountant. At the year-end there was £nil (2018: £250) outstanding to LFIC.

17.3 R Gerritsen is a director and shareholder of the Company. During the 2019 financial year he provided consultancy services totalling £67,500 in respect of his fees as a director of the Company.

17.4 R Gerritsen was formerly a director of Cobra Resources plc. On 15 November 2018 (when Mr Gerritsen was a director of Cobra resources plc) the Company entered into an Advisory Service Agreement with Cobra Resources plc whereby MetalNRG plc (the "**Adviser**") agreed to provide advisory services to Cobra Resources plc during its admission to the main market on the London Stock Exchange. MetalNRG plc was entitled to a fee in connection with Admission to be satisfied by the issued of 4,166,666 new ordinary shares in Cobra Resources plc, amounting to £62,500.

17.5 Noel (Windell) Callaghan is the senior manager of the Company and also a director and sole shareholder of Cindele Limited. Accountancy charges incurred by the Company amounting to £14,600 (2019: £13,819) represent proportional recharges in respect of the time spent on Company business by Cindele Limited. At the year-end there was £nil (2018: £nil) outstanding to Cindele Limited.

**Director and Senior Manager Service Agreements and Appointment Letters**

17.6 *Christopher Latilla-Campbell*

Christopher Latilla-Campbell has agreed to act as a non-executive chairman of the Company pursuant to a letter of appointment dated 14 June 2017. Mr Latilla-Campbell will receive an annual fee of £15,000. The appointment may be terminated by either party giving three months' written notice.

Mr Latilla-Campbell 's Appointment letter contains confidentiality undertakings and prohibitions (which apply for a period of six months following termination of his appointment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

17.7 *Rolf Gerritsen*

Rolf Gerritsen has agreed to act as a chief executive officer of the Company pursuant to service agreement dated 1 July 2020. Mr Gerritsen will receive an annual fee of £170,000. The appointment may be terminated by either party giving six months' written notice. Mr Gerritsen is entitled to a discretionary bonus.

Mr Gerritsen's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of 12 months following termination of his appointment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

17.8 *Christian Schaffalitzky*

Christian Schaffalitzky has agreed to act as a non-executive director of the Company pursuant to a letter of appointment dated 14 June 2017. Mr Schaffalitzky will receive an annual fee of

£12,000. The appointment may be terminated by either party giving three months' written notice.

Mr Schaffalitzky 's Appointment letter contains confidentiality undertakings and prohibitions (which apply for a period of six months following termination of his appointment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

**17.9 *Pierpaolo Rocco***

Pierpaolo Rocco has agreed to act as an executive director, oil and gas of the Company pursuant to a service agreement dated 14 November 2020. Mr Rocco will receive an annual fee of £50,000. The appointment may be terminated by either party giving six months' written notice.

Mr Rocco's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of 12 months following termination of his appointment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

**17.10 *Noel (Windell) Callaghan***

Mr Callaghan has agreed to act as a chief financial officer of the Company pursuant to service agreement dated 1 October 2020. Mr Callaghan will receive an annual fee of £40,000. Mr Callaghan is also eligible for a bonus of up to 45% of base salary of which the Company has the right to settle 50% in shares. The appointment may be terminated by either party giving three months' written notice.

Mr Callaghan's service agreement contains confidentiality undertakings and prohibitions (which apply for a period of 12 months following termination of his appointment) on competing, soliciting and dealing with customers, poaching employees and interfering with relationships with suppliers.

**17.11 *Other related party transactions***

Save as set out in paragraphs 17.2 to 17.10 above, from 31 December 2019 up to and including the date of this Prospectus, the Company has not entered into any related party transactions.

**18. *Accounts***

The Company's annual report and accounts will be made up to 31 December in each year. It is expected that the Company will make public its annual report and accounts within four months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible).

The Company has also prepared and published its unaudited historical information for the six months ended 30 June 2020.

**19. *General***

19.1 In April 2013, Edwards Veeder (UK) Limited whose address is 4 Broadgate, Broadway Business Park, Chadderton, Oldham OL9 9XA, were appointed as the auditor of the Company, replacing Edwards Veeder (UK) LLP. Edwards Veeder (UK) Limited is a member of the Institute of Chartered Accountants in England and Wales and registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council.

19.2 SRK Exploration Services Limited has given and not withdrawn its written consent to the inclusion of its Competent Person's Report in *Part XIX – Competent Persons' Report* of this Prospectus and/or extracts therefrom and references thereto and to the inclusion of its name and references in the form and context in which they are included and has authorised the contents of those parts of this Prospectus which comprise its Competent Person's Report for the purposes of item 1.3 of Annex 1 of the UK Prospectus Delegated Regulation. In compliance with item 1.2 of Annex 1 of the UK Prospectus Delegated Regulation. SRK Exploration Services Limited accepts responsibility for its Competent Person's Report and to the best of the knowledge of SRK Exploration Services Limited, the information in the Competent Person's Report, estimates of mineral reserves and resources contained therein, as well as references to them, and statements and statements and information attributed to them or extracted from

their Competent Person's Report are in accordance with the facts and make no omission likely to affect their import.

- 19.3 Strategic Reservoir Consultants Limited has given and not withdrawn its written consent to the inclusion of its name and references to it in the form and context in which they are included and has authorised the contents of the part of this Prospectus comprising the section entitled "*BritNRG – Oil and Gas*", contained within *Part VI – The Company's Strategy*. Strategic Reservoir Consultants Limited accepts responsibility for the information in the section of this Prospectus entitled "*BritNRG – Oil and Gas*" contained within *Part VI – The Company's Strategy* for the purposes of item 1.3 of Annex 1 of the UK Prospectus Delegated Regulation, and that section has been included in this Prospectus with the consent of Strategic Reservoir Consultants Limited, who has authorised the contents of that part of the Prospectus for the purpose of the Prospectus. In compliance with item 1.2 of Annex 1 of the UK Prospectus Delegated Regulation, Strategic Reservoir Consultants Limited accepts responsibility for the section of this Prospectus entitled "*BritNRG – Oil and Gas*" of *Part VI – The Company's Strategy* and to the best of the knowledge of Strategic Reservoir Consultants Limited the information in the section of this Prospectus entitled "*BritNRG – Oil and Gas*" of *Part VI – The Company's Strategy*, as well as references to them, are in accordance with the facts and the section of this Prospectus entitled "*BritNRG – Oil and Gas*" of *Part VI – The Company's Strategy* makes no omission likely to affect its import.
- 19.4 SI Capital has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of the references herein to its name in the form and context in which they appear.
- 19.5 Peterhouse has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of the references herein to its name in the form and context in which they appear.
- 19.6 The Company has not had any employees since its incorporation and does not own any premises.
- 19.7 The total expenses incurred (or to be incurred) by the Company in connection with Admission the Placing and the Share Exchange are approximately £500,000. The estimated Net Placing Proceeds (given that £2,300,000 has been raised by way of the Placing), after deducting fees and expenses in connection with Admission and the Placing, are approximately £1,800,000.
- 19.8 The Company is not dependent on patents, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 19.9 In accordance with the Prospectus Regulation Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Ordinary Shares issued under this Prospectus. The Company will also announce the issue of the Ordinary Shares through an RIS.

## **20. Third party sources**

The Company confirms that information sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Estimates extrapolated from these data involve risks and uncertainties and are subject to change based on various factors, including those discussed in *Part II – Risk Factors* of this Prospectus. There is only a limited amount of independent data available about certain aspects of the industry in which the Company operates and the position of the Company relative to its competitors. As a result, certain data and information about its market contained in this Prospectus are based on good faith estimates reflecting the Company's reasonable review of internal data and information obtained from customers and other third party sources, such as trade and business organisations and associations and other contacts within the mining industry. The Company believes these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

## **21. No incorporation of information by reference from websites**

The contents of the Company's website (<https://www.metalnrg.com/>), unless specifically incorporated by reference, any website mentioned in this Prospectus or any website directly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely upon them.

## **22. Availability of documents**

22.1 Copies of the following documents may be inspected at the registered office of the Company at 1 Ely Place, London EC1N 6RY, United Kingdom during usual business hours on any Business Day from the date of this Prospectus until Admission and completion of the Placing, unless the registered office has been closed as a result of the circumstances surrounding the COVID-19 pandemic, from the date of this Prospectus until Admission:

- (a) the Articles;
- (b) this Prospectus;
- (c) the documents incorporated by reference in *Part XIX – Documents incorporated by reference* of this Prospectus;
- (d) the written consents referred to in paragraphs 19.3, 19.4 and 19.5 of this Part XV; and
- (e) the Competent Person's Report.

22.2 In addition, copies of the documents listed in paragraph 22.1 will be published in electronic form and be available on the Company's website at <https://www.metalnrg.com/>.

Date: 11 May 2021

## PART XVI

### DEFINITIONS

The following definitions apply throughout this Prospectus (unless the context requires otherwise):

"Admission"	admission of the New Ordinary Shares to a Standard Listing and to trading on the Main Market of the London Stock Exchange.
"Affiliate" or "Affiliates"	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.
"AGM"	an annual general meeting of the Company.
"Articles" or "Articles of Association"	the articles of association of the Company in force from time to time.
"Australian Corporations Act"	the Australian Corporations Act 2001 (Cth).
"BritNRG"	BritNRG Limited.
"Business Day"	any day (other than a Saturday or Sunday) or an English bank or public holiday.
"certificated" or "in certificated form"	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (i.e., not in CREST).
"Change of Control"	following any acquisition, the acquisition of Control of the Company by any person or party (or by any group of persons or parties who are acting in concert).
"CJSC IMC"	Closed Joint Stock Company IMC Invest.
"CLNs"	the convertible loan notes issued by the Company in the principal amount of £375,000 (which have now been repaid or converted).
"CLN Conversion Shares"	the Ordinary Shares that were issued on the conversion of the CLNs.
"Cobra"	Cobra Resources plc.
"Companies Act"	the Companies Act 2006.
"Competent Person's Report"	the competent person's report on Goldridge Holdings set out in <i>Part XIX – Competent Persons' Report</i> to this Prospectus.
"Company" or "MetalNRG"	MetalNRG plc, a company incorporated in England and Wales with company number 05714562.
"Control"	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the Directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the Directors or other equivalent officers of the Company are obliged to comply; and/or (ii) the holding beneficially of more than 50% of the issued shares of the Company (excluding any issued shares that carry no right to participate beyond a distribution of either profits or capital), but excluding in the case of each of (i) and (ii) above any such power or holding that arises as a result of the issue of Ordinary Shares by the Company in connection with the acquisition.
"CREST" or "CREST System"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in the system for the paperless settlement of trades in securities and the holding of



	uncertificated securities operated by Euroclear in accordance with the CREST Regulations.
"CREST Regulations"	the Uncertificated Securities Regulations 2001 ( <i>SI 2001 No. 3755</i> ).
"Deferred Shares"	the 48,332,003 deferred shares of 0.49p each which carry no voting rights and which have no economic value;
"Directors", "Board" or "Board of Directors"	the directors of the Company, whose names appear in <i>Part VII – The Board of Directors</i> of this Prospectus, or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly.
"Disclosure Guidance and Transparency Rules" or "DTRs"	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA.
"DP Act"	the Data Protection Act 1998.
"EEA"	the European Economic Area, comprising the EU, Iceland, Norway and Liechtenstein.
"Enlarged Issued Share Capital"	the issued share capital of the Company following the Placing, the Share Exchange, the CLN Conversion and Admission.
"EQTEC Shares"	ordinary shares of Euro 0.001 each.
"Existing Issued Share Capital"	the issued share capital of the Company as at the date of this Prospectus.
"EU"	the European Union.
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with company number 02878738, being the operator of CREST.
"EUWA"	European Union (Withdrawal) Act 2018.
"Exchange Shares"	the 60,606,061 New Ordinary Shares to be issued to EQTEC PLC in connection with the Share Exchange.
"Existing Ordinary Shares"	508,179,803 Ordinary Shares of nominal value 0.01 pence each in the capital of the Company in issue as at the date of this Prospectus.
"FCA"	UK Financial Conduct Authority or any successor thereof, being the single UK statutory regulator under FSMA.
"FDP"	field development plan.
"FIEL"	the Japanese Financial Instruments and Exchange Law.
"Framework Partnership Agreement"	the agreement with EQTEC PLC dated 21 March 2021 pursuant to which EQTEC PLC and the Company have agreed a mutual share exchange and the basis for future collaboration.
"FSMA"	the Financial Services and Markets Act 2000.
"GDP"	gross domestic product.
"general meeting"	a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires).
"Goldridge Holdings"	Goldridge Holdings Limited.
"Gross Placing Proceeds"	the total funds received on closing of the Placing, being £2,300,000.
"HMRC"	Her Majesty's. Revenue & Customs.
"IFRS"	International Financial Reporting Standards, as adopted by the EU.
"IMC"	International Mining Company Invest, Inc.
"ISIN"	International Securities Identification Number.
"LVG"	Lake Victoria Gold Limited.
"Latest Practicable Date"	10 May 2021, being the latest practicable date prior to the publication of this Prospectus.
"LFIC"	London Finance & Investment Corporation Limited.
"LEI"	legal entity identifier.
"Listing Rules"	the listing rules made by the FCA under section 73A of FSMA.

<b>"London Stock Exchange"</b>	London Stock Exchange plc, a company registered in England and Wales with company number 2075721.
<b>"New Warrants"</b>	the 390,999,999 warrants to be issued (i) to placees on the basis of one warrant for each Placing Share; and (ii) to Peterhouse and SI Capital in connection with their services in carrying out the Placing, the terms and conditions of which are summarised in paragraph 8 of <i>Part XV – Additional Information</i> of this Prospectus.
<b>"Main Market"</b>	main market for listed securities.
<b>"Market Abuse Regulation"</b>	the UK version of EU Regulation No 596/2014, which forms part of retained law by virtue of the EUWA.
<b>"Memorandum"</b>	the memorandum of association of the Company in force from time to time.
<b>"MetalNRG Australia"</b>	MetalNRG Australia Pty Ltd.
<b>"Net Placing Proceeds"</b>	the Gross Placing Proceeds less any expenses paid or payable in connection with Admission and the Placing, being £1,800,000.
<b>"Official List"</b>	the official list maintained by the FCA.
<b>"OGA"</b>	the UK Oil and Gas Authority.
<b>"Option Agreement"</b>	the option agreement between the Company and IMC to acquire a majority interest in the Uranium Project in the Kyrgyz Republic, dated 16 August 2018.
<b>"Order"</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
<b>"Ordinary Shares"</b>	the ordinary shares of nominal value 0.01 pence each in the capital of the Company.
<b>"Peterhouse"</b>	Peterhouse Capital Limited.
<b>"Placees"</b>	those persons who have signed placing letters.
<b>"Placing"</b>	the equity placing to be conducted by SI Capital and Peterhouse, as agents for the Company, subject to the engagement letters entered into between the Company and: (i) SI Capital, dated 5 March 2021; and (ii) Peterhouse, dated 5 March 2021, pursuant to the terms of which each of SI Capital and Peterhouse have agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, as the Company's agents in the Placing.
<b>"Placing Price"</b>	0.6 pence per Placing Share.
<b>"Placing Shares"</b>	the 383,333,333 New Ordinary Shares which are the subject of the Placing.
<b>"Premium Listing"</b>	a premium listing under Chapter 6 of the Listing Rules.
<b>"Prospectus Regulation"</b>	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>"Prospectus Regulation Rules"</b>	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA.
<b>"Qualified Investors"</b>	persons resident or located in any Relevant State who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation.
<b>"Register"</b>	the register of holders of Ordinary Shares to be maintained by the Registrar.
<b>"Registrar"</b>	Computershare Investor Services plc or any other registrar appointed by the Company from time to time.
<b>"Regulation S"</b>	Regulation S promulgated under the Securities Act.
<b>"Relevant Persons"</b>	persons resident or located in the UK who are "qualified investors" within the meaning of the UK Prospectus Regulation who are: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of

	the Order; or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or are other persons to whom it may otherwise lawfully be communicated.
<b>"Relevant State"</b>	a member state of the EEA.
<b>"Reverse Takeover"</b>	a reverse takeover as defined in the Listing Rules.
<b>"Riverfort"</b>	Riverfort Global Opportunities PCC Ltd.
<b>"Riverfort Agreement"</b>	the agreement dated 3 July 2020 (as amended by supplementary agreement date 3 March 2020) between the Company and Riverfort, further details of which are set out in paragraph 16.7 of <i>Part XV – Additional Information</i> of this Prospectus.
<b>"Riverfort Warrants"</b>	the 21,417,419 warrants which Riverfort may call to be issued to it under the terms of the Riverfort Agreement.
<b>"RIS"</b>	a regulatory information service, as defined the FCA's handbook of rules and guidance as amended from time to time.
<b>"SDRT"</b>	stamp duty reserve tax.
<b>"SEC"</b>	US Securities and Exchange Commission.
<b>"Securities Act"</b>	US Securities Act of 1933, as amended.
<b>"SEDOL"</b>	Stock Exchange Daily Official List, a list of security identifiers used in the United Kingdom and Ireland for clearing purposes.
<b>"Share Dealing Code"</b>	the Company's policy on director dealings in securities which is consistent with the Market Abuse Regulation.
<b>"Share Exchange"</b>	the exchange of 60,060,061 New Ordinary Shares for 27,932,961 EQTEC Shares pursuant to the Share Exchange Agreement.
<b>"Share Exchange Agreement"</b>	the agreement between the Company and EQTEC plc dated 21 March 2021, details of which are set out in paragraph 16.9 of <i>Part XV – Additional Information</i> of this Prospectus.
<b>"Shareholder"</b>	a holder of Ordinary Shares.
<b>"SI Capital"</b>	SI Capital Limited.
<b>"Special Resolution"</b>	a resolution of Shareholders requiring a majority of not less than 75%.
<b>"SRK ES"</b>	SRK Exploration Services Limited.
<b>"Standard Listing"</b>	a standard listing under Chapter 14 of the Listing Rules.
<b>"Sunswept"</b>	Sunswept Enterprises Limited.
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers.
<b>"Takeover Panel"</b>	the UK Panel on Takeovers and Mergers.
<b>"UK Corporate Governance Code"</b>	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time.
<b>"UK Prospectus Delegated Regulation"</b>	the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing the UK Prospectus Regulation as it forms part of UK law by virtue of the EUWA.
<b>"UK Prospectus Regulation"</b>	the UK version of the Prospectus Regulation as it forms part of retained EU law by virtue of the EUWA.
<b>"uncertificated" or "uncertificated form"</b>	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST.
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland.
<b>"United States" or "US"</b>	the United States of America.
<b>"Uranium Ban"</b>	a ban on the exploration for and production of Uranium voted for by the parliament of the Kyrgyz Republic on 2 May 2019.
<b>"Uranium Project"</b>	the Kamyschanovskoye uranium project.

"US Person"	any person who is a US person within the meaning of Regulation S adopted under the US Securities Act.
"VAT"	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.
"VWAP"	volume weighted average price.
"2020 AGM"	the AGM of the Company which occurred on 20 April 2020.
"2020 GM"	the general meeting of the Company which occurred on 9 December 2020.

References to a "**company**" in this Prospectus shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

All references to legislation or regulation in this Prospectus are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, supplement, re-enactment or extension thereof. Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this Prospectus, "**subsidiary**" has the meaning given by the Companies Act.

In this Prospectus any reference to any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an "**EU Matter**") which forms part of domestic law by application of the EUWA shall be read as a reference to that EU Matter as it forms (by virtue of the EUWA) part of retained EU law and as modified by domestic law from time to time. For the purposes of this paragraph, (i) "domestic law" shall have the meaning given in the EUWA; and (ii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the EUWA.

## PART XIX

### DOCUMENTS INCORPORATED BY REFERENCE

The Group's annual report and accounts for the years ended 28 February 2018, 28 February 2019, the 10 month period from 01 March 2019 to 31 December 2019 and the year ended 31 December 2020, the Group's interim financial information for the six months from 01 March 2019 to 31 August 2019 and from 01 January 2020 to 30 June 2020 contain information which is relevant to Admission.

The Group's annual report and accounts for the years ended 28 February 2018 and, 28 February 2019 are incorporated by reference from the group's Prospectus issued in July 2019.

The Groups annual report and accounts for the 10 month period from 01 March 2019 to 31 December 2019 and the year ended 31 December 2020, together with the Group's interim financial information for the six months from 01 March 2019 to 31 August 2019 and from 01 January 2020 to 30 June 2020 are incorporated by reference as detailed below.

All these documents are available on the Company's website at <https://metalnrgplc.com/investors/>.

The table below sets out the various sections of the documents which are incorporated by reference into this Prospectus so as to provide the information required under the Prospectus Regulations and to ensure that shareholders and others are aware of all information which, according to the particular nature of Company and of the Ordinary Shares, is necessary to enable shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

Any non-incorporated parts of the documents are either not relevant for investors or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference or referred or cross-referred to in the documents referred to below shall not form part of this Prospectus.

<b>Document</b>	<b>Section</b>	<b>Page numbers</b>	<b>Section in this Prospectus</b>
Prospectus dated 18 July 2019	Consolidated statement of financial position	82	<i>Part X – Historical Financial Information of the Group</i>
	Consolidated statement of income	83	
	Consolidated statement of Comprehensive income	83	
	Consolidated statement of Changes in Equity	84	
	Consolidated Statement of cash flows	85	
	Notes to the financial statements	86 - 96	
Annual report for the 10-month period from 01 March 2019 to 31 December 2019	Officers and professional advisors	1	<i>Part X – Historical Financial Information of the Group</i>
	Board of directors	2 - 3	
	Strategic report	4 - 6	
	Directors' report	7 - 11	
	Directors' responsibilities statement	12 - 13	
	Corporate governance statement	14 - 18	
	Directors remuneration report	19 - 22	
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	Consolidated income statement	27	
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	Consolidated statement of financial position	29	
	Company statement of financial position	30	
	Consolidated statement of changes in equity	31	
	Company statement of changes in equity	32	
	Consolidated statement of cash flows	33	
	Company statement of cash flows	34	
	Notes to the financial statements	35 - 45	
Annual report for the	Officers and professional advisors	1	<i>Part X –</i>
	Board of directors	2 - 3	

Year ended 31 December 2020	Strategic report	4 - 7	<i>Historical Financial Information of the Group</i>
	Directors' report	8 - 11	
	Directors' responsibilities statement	12 - 13	
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	Independent auditors report	23 - 27	
	Consolidated income statement	28	
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	Consolidated statement of financial position	30	
	Company statement of financial position	31	
	Consolidated statement of changes in equity	32	
	Company statement of changes in equity	33	
	Consolidated statement of cash flows	34	
	Company statement of cash flows	35	
	Notes to the financial statements	36 - 47	
Interim results for the six-month period from 01 March 2019 to 31 August 2019	Consolidated income statement	N/A	<i>Part X – Historical Financial Information of the Group</i>
	Consolidated statement of financial position	N/A	
	Consolidated statement of cash flows	N/A	
	Company statement of changes in equity	N/A	
	Half-yearly report notes	N/A	
Interim results for the six month period from 01 January 2020 to 30 June 2020	Consolidated income statement	N/A	<i>Part X – Historical Financial Information of the Group</i>
	Consolidated statement of financial position	N/A	
	Consolidated statement of cash flows	N/A	
	Company statement of changes in equity	N/A	
	Half-yearly report notes	N/A	

**PART XVII**

**COMPETENT PERSONS REPORT ON GOLDRIDGE HOLDINGS**

FINAL VERSION

# A COMPETENT PERSONS REPORT ON THE GOLD RIDGE PROJECT, ARIZONA

Gold Ridge Project, Arizona, United States of America  
MetalNRG PLC



SRK Exploration Services Ltd ■ ES7925 ■ 10 March 2021



# A COMPETENT PERSONS REPORT ON THE GOLD RIDGE PROJECT, ARIZONA

Gold Ridge Project, Arizona, United States of America

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SRK Exploration Services Ltd ■ ES7925 ■ 10 March 2021



# Important Notice

This report was prepared as a competent persons report for the London Stock Exchange main board listing for Metal NRG PLC. ("Metal NRG") by SRK Exploration Services Ltd ("SRK ES"). The quality of information, conclusions, and estimates contained herein is dependent upon : i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Metal NRG subject to the terms and conditions of its contract with SRK ES and relevant securities legislation. The contract permits Metal NRG to file this report as an Independent Technical Report with the London Stock Exchange. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Metal NRG. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

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## EXECUTIVE SUMMARY

The Gold Ridge Project is located in Cochise County in south-eastern Arizona, approximately 160 km east of Tucson. The project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the Texas state border.

The project comprises three historic mines; Gold Ridge, Gold Prince and Dives mines. The mines are located on the lower southern slopes of the Dos Cabezas Mountains.

This technical report summarises the technical information available on the Gold Ridge Project and presents SRK Exploration Services Limited (SRK ES) opinion that the property has merit and warrants additional exploration expenditure.

The project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims and are deemed sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

Mining in the Dos Cabezas district began in the mid 1800's with intermittent work on a wide variety of gold-quartz veins and contact metamorphic copper deposits until the mid-1900's.

Gold production came principally from the Gold Prince, Gold Ridge and the Dives mines. Most pre-Phelps Dodge production occurred in the early 1930's and the Dos Cabezas Mining Company drove the present 5-level of the Gold Prince mine in 1949.

The Gold Prince Mine was operated by the small mines division of the Phelps Dodge Company between 1984 and 1986, during which time 14,238 tonnes were shipped with an average grade of 9.74g/t Au. This production was shipped to Phelps Dodge smelters and used for flux. Phelps Dodge completed significant core drilling during this time.

Queenstake Resources U.S.A., Inc. leased the property between October 1986 and September 1992. Queenstake drilled additional core holes, developed additional mine openings and undertook minor production. The final 22 months of this production was conducted by contract miners through an agreement with Queenstake.

Western States Mining Corp. acquired the property in 1993 and operated it into the mid 1990's until it was shut down.

A total of 22,000 ounces of gold is thought to have been extracted over the history of the Gold Prince mine.

The Dos Cabezas area is interpreted to be a large, late Cretaceous-early Tertiary plutonic-volcanic centre intruded into Precambrian, Palaeozoic and Cretaceous metavolcanics and metasedimentary rocks. These rocks were subsequently cut by the Apache Pass Fault Zone; a regional vertical shear zone that is widely believed to control the location of high-grade gold vein systems like that at Gold Ridge.

The Gold Ridge property is known to host gold-base metal sulphide quartz veins within the Apache Pass Fault Zone. These veins consist of coarsely crystalline quartz with pyrite, galena, sphalerite and chalcopyrite. Native gold occurs in pyrite as very-fine-grained blebs and fillings in crystal defect

sites in pyrite and sphalerite. These sulphides are frequently arranged in bands or coarse aggregates within the quartz and appear to be more common on the hanging wall side of the veins.

The Gold Prince mine also contains gold in disseminated ores in wall rock, in early carbon-calcium carbonate-quartz veins and in the quartz veins. All are hosted by the Cretaceous Bisbee Group shales and quartzites. Wall rock alteration associated with the veins includes silicification and chlorite-sericite-pyrite assemblages.

No compliant Mineral Resource Estimate exists for the Gold Ridge Project or constituent deposits.

A historic non-compliant estimate produced by Queenstake in 1996 eludes to potential resources in the range of 35,000-40,000 ounces of gold at grades of 11.5 g/t. Further detail on these numbers is available in the NI 43-101 report produced by Charles A. Braun of Braun Consulting Engineers, Lakewood CO in December 2016.

There are numerous old mine workings in the area, all small and many of these appear to have their own individual styles of mineralisation and indeed different mineral assemblages within them. This highlights the extensive and long-lived nature of the mineralised system associated with the Apache pass fault zone as well as the potential for other, as yet undiscovered, deposits within the project area.

Mining has occurred at Gold Ridge property in at least three locations and intermittently over a time span of more than 100 years. The Gold Prince mine has seen the majority of the recorded production and all of the modern exploration and mining. The Gold Prince mine is a vein-type deposit developed on 5 levels over a strike length of roughly 300 m. This development appears to be within the confines of a broad southeast-plunging ore shoot. The nature of the mineralisation remains similar over the roughly 180 m of vertical development between the surface and the lowest level of the mine. Previous metallurgical test work has shown encouraging results. Although the current extent of underground development between levels is not completely known, it is probable that mineable material remains in place, particularly between the 4-level and the 6-level. Mapping and sampling both at surface and underground confirm that the vein is laterally extensive across the width of the property and anomalous to strongly mineralised in several places.

SRK ES considers that the mapping and sampling conducted to date supports the concept that the Gold Ridge Project has potential for the discovery of further, mineable gold mineralisation and that an initial two stage programme of follow-on work is warranted. This would entail phased fieldwork of structural and geological mapping with concurrent historical data validation and compilation.

It is recommended that a phase of structural and geological mapping is undertaken to follow and build upon the findings of the 2021 SRK ES field visit. Given the high variation in topographic relief and the rugged nature of the terrain this work would preferentially be conducted early in the year before the Arizona heat makes the work more challenging.

The most recent site visit has identified significant differences between quartz vein geometries and orientations within each of the major tectonic blocks. Further structural mapping, both at surface and underground, should help define the kinematic strain history of the project area and its controls on gold mineralisation which will help focus follow-up areas for grid soil geochemical survey and ground geophysics targeting blind orebodies and lower grade disseminated and stockwork mineralisation. It is also recommended that remote sensing analytical techniques are employed to supplement the mapping and ground survey data.

SRK ES considers that an initial programme of data compilation is essential to recover and assimilate the substantial number of maps and quantity of digital and paper files into a useable archive. This will allow the integration of historical sampling and drilling results with the recommended structural mapping and analysis.

The compilation work will be the basis for prioritising surface sampling, and through developing an understanding of the mineralised framework from the underground workings, will help develop a more complete understanding of geological structures and their influence on the mineralised zones within both the historical mines and wider project area. This in turn will help with a view to predicting prospective localities for both high grade and lower grade, bulk minable, gold mineralisation and the variety of orebody types.

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### APPENDIX A GOLD RIDGE UNPATENTED & PATENTED CLAIM HOLDINGS



# 1 INTRODUCTION

## 1.1 Background

SRK Exploration Services Ltd (“SRK ES”) was requested by MetalNRG PLC (“MNRG”, hereinafter also referred to as the “Company” or the “Client”) to prepare a Competent Person Report (“CPR” or the “Report”) on the Gold Ridge Project (the “Project” or the “Exploration Asset”) located in the United States of America (“USA”). This Report constitutes an update to the SRK ES CPR dated September 2018 (the “2018 CPR”).

SRK ES is part of the global SRK Consulting Group (the “SRK Group”).

MNRG intends to include this CPR in a Prospectus for the purpose of a capital raise of the Company in association with its listing on the Standard Market segment of the London Stock Exchange (“LSE”).

## 1.2 Scope of Work

SRK ES were contracted to review the technical status of the Project, to undertake a site visit and make recommendations for further exploration work and present its findings in an updated CPR.

The following scope of work was agreed by the Company:

- Preparation of an updated CPR for inclusion in the Company Prospectus.
- Undertake a suitably qualified Competent Person (“CP”) site visit to make a preliminary structural assessment of the Project area, and to set out follow-up fieldwork recommendations for the discovery of additional and alternate style gold mineralisation.
- Review of Existing Technical Documentation including the results of work undertaken since September 2018.

## 1.3 Requirement, Structure and Compliance

This CPR has been prepared in accordance with the European Securities and Markets Authority (“ESMA”) update of the CESR recommendations on the consistent implementation of Commission Regulation (EC) No.809/2004 implementing the Prospectus Directive (the “CESR Guidance”) and the listing rules of the UK Financial Conduct Authority.

The CPR is issued by SRK ES, and accordingly SRK ES assumes responsibility for the CPR and confirms that the information contained is true and accurate as of 10 March 2021.

This CPR includes technical sections covering mineral tenure, regional geology and mineralisation, mineral assets (including geographical setting, geological setting and mineralisation, exploration history and results, summary and recommendations for each property) and concluding remarks.

It has been prepared under the direction of a Competent Person (“CP”) as defined by Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, published by the Joint Ore Reserves Committee in 2012 (the “JORC (2012) Code”).

## 1.4 Verification, Validation and Reliance

This CPR is dependent upon technical, financial and legal input. In respect of the technical information, as provided by the Company and taken in good faith by SRK ES, other than where expressly stated, any figures provided have not been independently verified by means of re-calculation.

SRK ES has, however, conducted a review and assessment of all material technical issues likely to influence the Exploration Asset, which included the following:

- Discussions with members of the Company's Board
- Update inspection site visit to the Gold Ridge Project between 25 and 27 February 2021;
- Review of exploration data compiled by Metal NRG
- Additional information from public domain sources
- Technical Reports prepared by:
  - SRK Exploration Services, for Metal NRG PLC 2018
  - Charles A. Braun for Winston Gold Mining Corp. 2016
  - Robert Perry for Canfe Ventures Ltd. and Golden FAME (USA) Inc. 2010
  - Mark Osterburg for Golden FAME (USA) Inc. 2009

### 1.4.1 Technical Reliance

SRK ES places reliance on the Company and its technical representatives that all technical information provided to SRK ES is accurate. Information obtained in the public domain that pertains to historical records of mining and exploration, academic research or work by geological survey organisations has been taken in good faith. SRK ES cannot be held responsible for any loss or damage resulting from errors or misinterpretations in technical information produced by third parties and summarised in this CPR. To the knowledge of SRK ES, as informed by the Company, there has been no material change in respect of the Exploration Asset since 10 March 2021.

### 1.4.2 Financial Reliance

The Company provided SRK ES with the level of anticipated funds that it intends to make available for exploration following a successful LSE capital raise. The scope of recommended work as set out in this Report is therefore guided by the Company budget.

### 1.4.3 Legal Reliance

In consideration of all legal aspects relating to the Exploration Asset, SRK ES has placed reliance on the representations by the Company that the following are correct as of 10 March 2021 and remain correct until the date of the documents submitted to the LSE:

- That, save as disclosed in documents submitted to the LSE, the Directors of the Company are not aware of any legal proceedings that may have any influence on their rights to explore for minerals;
- That the legal owners of all mineral and surface rights have been verified; and

- That save as disclosed in documents submitted to the LSE, no significant legal issue exists which would affect the likely viability of the exploration as reported herein.

The legal representatives of the Company are Orrick, Herrington & Sutcliffe (UK) LLP in the United Kingdom.

#### **1.4.4 Reliance on Other Experts**

SRK ES's opinion is based on information provided by Metal NRG and their consultants and associates. SRK ES was reliant upon such information and, where possible, has verified the data provided independently and completed two site visits during 2021 and 2018 to review physical evidence for the deposit. SRK ES has used information gained from NI 43-101 Technical Reports on the Gold Ridge Project prepared in 2016, 2010 and 2009 by Charles Braun for Winston Gold Mining Corporation, Robert Perry for Canfe Ventures Ltd. and Golden FAME (USA) Inc. and Mark Osterburg for Golden FAME (USA) Inc., respectively.

#### **1.4.5 Reliance on Information**

SRK ES believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in the CPR. The preparation of a CPR is a complex process and does not lend itself to partial analysis or summary.

SRK ES' opinion in respect of the mineral prospectivity of the Mineral Asset and the exploration recommendations is effective as of 10 March 2021 and is based on information provided by the Company or sourced in the public domain throughout the course of SRK ES' investigations. The opinion is subject to technical-economic conditions prevailing at the date of this report. SRK ES has no obligation or undertaking to advise any person of any change in circumstances which comes to its attention after the date of this CPR or to review, revise or update the CPR or opinion.

### **1.5 Declaration and Consent**

#### **1.5.1 Declaration**

SRK ES will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the Admission and SRK ES will receive no other benefit for the preparation of this report.

Neither SRK ES, the Competent Person, nor any Directors of SRK ES have at the date of this report, nor have had within the previous two years, any shareholding in the Company or the assets of the Company. Consequently, SRK ES, the Competent Persons and the Directors of SRK ES consider themselves to be independent of the Company.

In this CPR, SRK ES provides assurances to the Company that existing interpretations of technical data pertaining to the mineral prospectivity of the Mineral Asset, as stated in documents provided to SRK ES by the Company and sourced by SRK ES from the public domain, where modified by SRK ES, are reasonable, given the information currently available.

This CPR includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, SRK ES does not consider them to be material.

### 1.5.2 Consent

In compliance with the CESR Guidance and Rule 5.5.3R(2)(F) of the prospectus regulation rules of the Financial Conduct Authority made in accordance with section 73A of the UK Financial Services and Markets Act 2000, SRK ES will give its written consent to the publication of the CPR on Company's website and all information to be contained in any prospectus published by the Company, which has been extracted directly from this CPR.

## 1.6 Qualifications of SRK ES

The SRK Group comprises of more than 1,400 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK ES to provide its clients with conflict-free and objective recommendations. SRK ES has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with many major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

This technical report was completed for SRK ES by Nicholas O'Reilly (MIMMM, MAusIMM, FGS) and Dr Bart Stryhas (PhD Structural Geology, American Institute of Professional Geologists, Certified Professional Geologist # 11034) based on previous reporting by Gareth O'Donovan (Chartered Engineer, FGS, FIMMM) and reviewed by William Kellaway (MAusIMM). By virtue of their education, membership to a recognised professional association and relevant work experience Mr O'Reilly, Dr. Stryhas, Mr O'Donovan and Mr. Kellaway are Competent Persons as this term is defined by International Reporting Compliancy Standards.

## 1.7 Site Visits

Dr Bart Stryhas of SRK Consulting (U.S.), Inc. visited the Gold Ridge Project on 25-27 February 2021 with the purpose of reviewing the geological setting and making an initial structural assessment at surface. The findings of his work have been utilised to recommend targeted areas for surface soil geochemical sampling and geophysics work with the purpose to ascertaining the potential for additional vein and stockwork hosted gold mineralisation and for disseminated style gold mineralisation within the project area. Due to health and safety precautions during the COVID-19 pandemic the underground workings were not entered on this visit, there has been no material change to the state of the workings or underground datasets since the previous site visit by Mr O'Donovan.

Gareth O'Donovan of SRK Exploration Services visited the Gold Ridge Project on 18 August 2018, accompanied by Mr. David Whiteley of Winston Gold Mining Corp.

The purpose of the site visit was to review the geological setting, mineralisation, exploration work conducted to date and assess the historic underground workings. SRK ES was given full access to relevant data and personnel to understand procedures used to collect, record, store and analyse historical exploration data.

Data related to work which was completed onsite between the two site visits has been provided by MNRG for review as part of this CPR update.

## **1.8 Units and Measures**

The use of Tons in this report refers to American short tons units, thus 2000lbs., likewise all references to g/t are conversions of ounces per short ton to grams per metric tonne, unless otherwise stated.

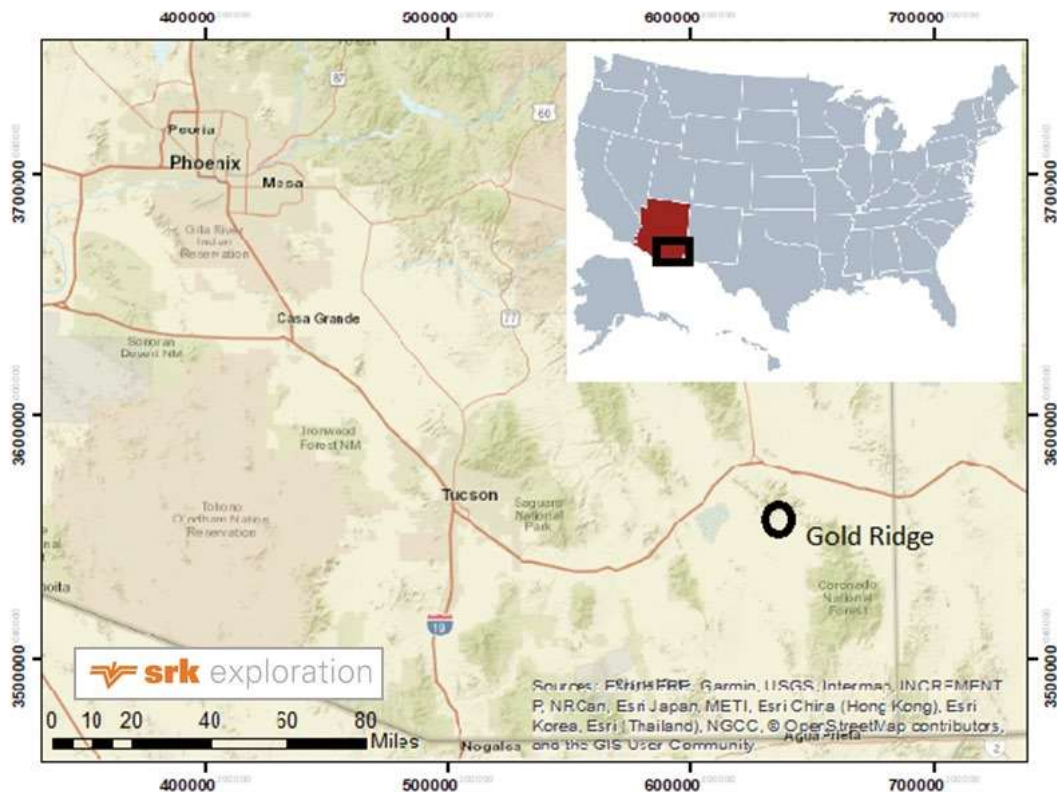
## 2 PROPERTY DESCRIPTION AND LOCATION

### 2.1 Location

The Gold Ridge Project is located in Cochise County in south-eastern Arizona, approximately 160 km east of Tucson. The project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the New Mexico state border (Figure 2-1).

The project comprises three historic mines: Gold Ridge, Gold Prince and Dives mines. The mines are located on the lower southern slopes of the Dos Cabezas Mountains. Topography is rugged in places. A well-developed state and county road system and branching local gravel-covered roads provide reliable year-round access to the property.

**Figure 2-1: Location of the Gold Ridge Project within the United States of America**



## 2.2 Mineral Tenure

The project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims (Barry claims) and is deemed sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

In the United States, the importance of staking claims goes back to the California and Nevada gold rushes of the 1800s and the Mining Act of 1872. While there have been a lot of changes in how mining claims are staked since then, the central principle holds: the owner of a mining claim in the United States owns the minerals below the surface.

The critical distinction is between patented and unpatented mining claims is as follows. A patented claim is a historical claim to a mineral deposit that may have been staked as far back as the 1800s. The biggest advantage to a patented claim owner is he owns the land and minerals underneath it. Patented claims are owned in perpetuity.

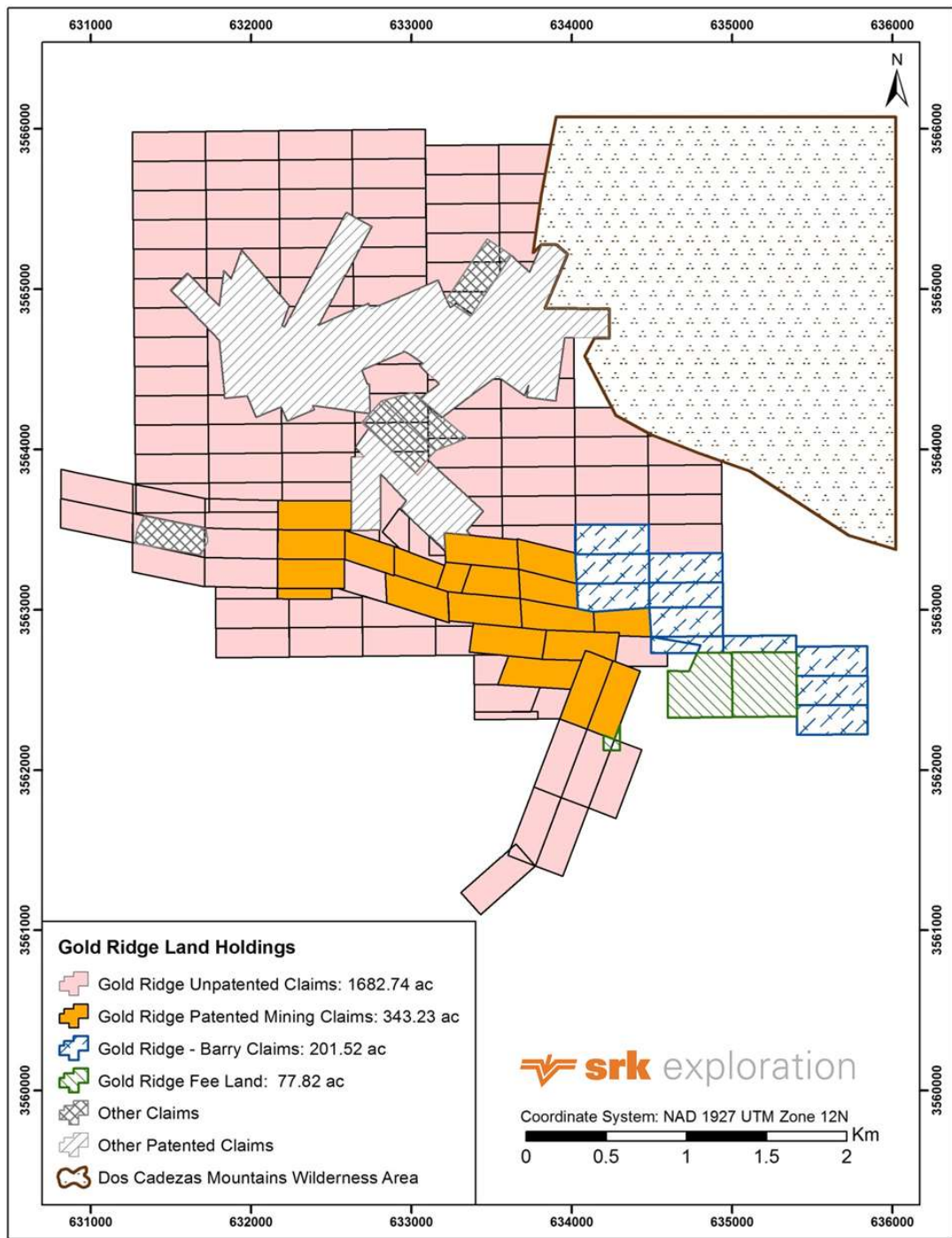
In the 1990s, the US government put a moratorium on patented claims so that now any new mining claims are unpatented. An unpatented mining claim is a claim on Bureau of Land Management (BLM) or Forest Service lands, which means the claim owner only has a right to the minerals, not the surface land itself, which is still subject to all the permitting rules required by those government agencies, including environmental baseline studies. Unpatented claims can be held indefinitely provided the annual fees are paid before the due date.

Environmental, permitting and reclamation requirements were not deemed to present any unusual or insurmountable issues to explore or develop the property.

A plan of the Gold Ridge claims is presented in Figure 2-2 and a list of the patented and unpatented claims is included in Appendix A.



Figure 2-2: Gold Ridge claim map (adapted from Braun, 2016)





## 2.3 Environmental Considerations

According to Braun 2016, the three mines which comprise the Gold Ridge project are located on private patented land and subsequent development, operations, and reclamation operations will likely involve the use of adjacent land held by unpatented mining claims.

A site visit was conducted in August 2009 for Copper One Inc. by Karen Schwab of Kimberlite Water Quality Permitting and Compliance Services, L.L.C. (Kimberlite) visited the site on August 12, 2009 to evaluate potential environmental issues and collect samples. An extract from the Executive Summary from her report is included below which also references the findings of previous environmental studies on the project. No activity has occurred at the site since the publication of the report that would alter the site's environmental conditions.

*"This Limited Environmental Assessment evaluated and focused on the water quality, water permitting, and mining regulations relevant to the development and operation of the Site. The Gold Ridge Property is located on private patented land; all development, operations, and reclamation operations at the Site will be funded and operated by a privately-owned company. No federal funding, plans or programs will be used. A Phase I Environmental Site Assessment was conducted of the Site in 1993 and concluded that there were no environmental threats to the environment from the Gold Ridge Property.*

*At least two waste rock stockpiles exist on the Site. Based on the results from leachability tests conducted on waste rock samples in 1996, Arizona Department of Environmental Quality (ADEQ) issued a written statement concluding that the waste rock was determined to be inert, as defined in Arizona Revised Statute (A.R.S.) §49-201.20. Water samples collected from the Gold Prince and Dives mines during a site visit conducted on August 12, 2009, indicate groundwater in the underground workings meet all numeric aquifer water quality standards. In addition, the groundwater meets the most stringent surface water quality standards for the designated uses of the nearby ephemeral washes.*

*Due to the non-acid generating potential of the mineral deposit and country rock, and the resultant good quality groundwater, permitting requirements for development and operation at this Site will be minimal. The activity of dewatering the underground workings during development can be covered under a general Aquifer Protection Permit (APP; General Permit A.101) from ADEQ. Water management options for groundwater pumped from the underground workings include: (1) direct discharge to a nearby wash under an Arizona Pollutant Discharge Elimination System (AZPDES) general permit from ADEQ, (2) discharge into an impoundment used solely for livestock watering, and (3) on-site use, such as dust control and equipment cooling. No groundwater rights or groundwater withdrawal permits will be required from the Arizona Department of Water Resources (ADWR) for pumping groundwater out of the underground workings. In addition, no record keeping or reporting of annual pumpage volume will be required. Although not required, Copper One may register the adit as a "well" with ADWR. No permit is required for exploration drilling in the underground workings.*

*A mine reclamation plan and financial assurance mechanism will be required by the Arizona Mine Inspector's Office if the planned activities at the Gold Ridge Properties will result in surface disturbance of greater than five acres, including disturbance or modification of any existing waste rock stockpiles or roads. In order to document current site conditions and existing surface disturbance, an aerial fly-over should be conducted and a map generated prior to beginning any exploratory or mining operations at the Site."*

### 2.3.1 SRK Comments

Whilst a new environmental base line study will need to be conducted prior to any new field operations the previous study would indicate that a major environmental liability would be unlikely. It is advisable that the Company review whether there could be any risks or environmental implications associated with the Projects close proximity to the designated Dos Cabezas Mountains Wilderness Area. The Wilderness Area which is managed by the Bureau of Land Management, is situated immediately northeast of the Project area.

## 2.4 Mineral Rights in Arizona

According to Braun 2016, and Perry 2010, the following permits and applications may be required for a future mining operation at Gold Ridge:

- Reclamation plan with a bond posted against its completion
- An identification number with both the Federal Mine Safety and Health Administration (MSHA) and the Arizona State Mine Inspectors office as soon as the project advances beyond the exploration phase.
- An MSHA approved ventilation plan and a ground support plan.
- A mine rescue team on call.
- Arizona Department of Water Resources permits for exploration holes and wells.
- County highway use restrictions and maintenance requirements.
- NPDES Multi-Sector General Permit for Industrial Activities for storm water runoff issued by the Arizona Department of Environmental Quality.
- An Air Quality Permit for crushing and screening.
- An Aquifer Protection Permit.

Some of these permits/approvals may not be required if the scope and scale of a mining operation remains below certain thresholds. For example, an Air Quality Permit may not be required if emissions are below certain threshold values or if the operator uses a contracted, mobile crushing and screening company who would themselves take responsibility for permitting and ensuring that Air Quality Permits are attached to the mobile equipment. The mine rescue team requirement could be met by if the company were to contract within a “mine safety” cooperative as long as the MSHA rules that a “small and remote” classification would be appropriate for an operation at Gold Ridge.

## 2.5 SRK ES Comments

Besides the environmental and permitting considerations listed above SRK ES is not aware of any significant factors or risks that could affect access, title, or the right or ability to perform work on the property.

## 3 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

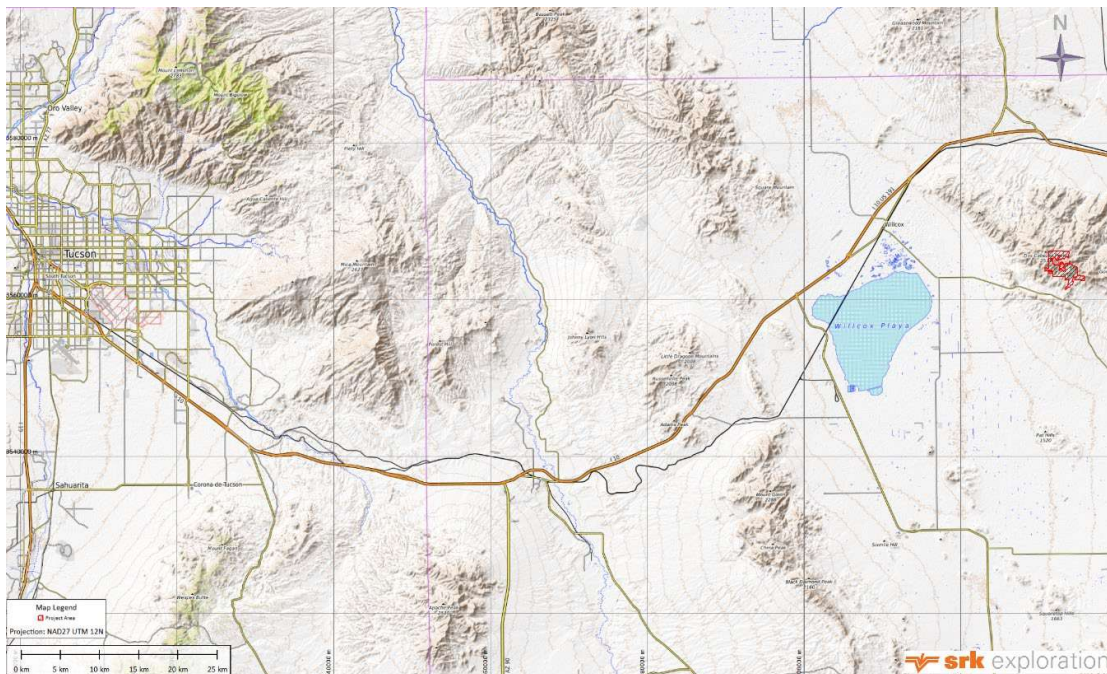
### 3.1 Accessibility, Climate and Physiography

The project is accessible via a well-developed state and county road system which provides reliable year-round access to the project area. State Highway 186 traverses the village of Dos Cabezas and, near the southern end of the town, the private South Hertado Ranch road forks off to the southeast. Taking this road for about 4 km takes one to the portal of the Gold Prince mine. The road is normally passable with a 2-wheel drive vehicle (see Figure 3-1).

The nearest town with supplies and accommodations is Wilcox, located about 28 km northwest of the project via paved highway. Tucson, Arizona is a further 130 km west from Wilcox.

The topography in the project area is rugged in places and vegetation is typical of the high desert, consisting of sparse low brush, grasses and cacti with some small trees in the washes and occasional pines on the higher slopes (Figure 3-1). The climate of the region is very dry, sometimes experiencing occasional rain and rarely light snow which allows the possibility of year-round exploration, development and mining activity.

**Figure 3-1: Topographical map showing access to the Project with relation to Tucson**



## 3.2 Local Resources and Infrastructure

When the project was historically operating, ore extracted from the Golden Prince mine was crushed on site and smelting was performed off-site. There is adequate surface area within the Metal NRG controlled licence to operate the project in this manner. Historically, sufficient volumes of water used for mining activities have been sourced from underground workings.

If future development calls for a large construction footprint for a mill, tailings disposal or leach pad, engineering studies will be required to determine if the Company's current holdings are sufficient. If not, large tracts of topographically suitable land exist adjacent to Metal NRG's holdings where rights might be acquired.

Until the mid-1990's electric power was available on site. The poles and much of the wire are still in place but will require rehabilitation (Figure 3-2). According to the previous operators, Winston Gold Mining Corp. mining personnel are available between the population centres of Tucson and Wilcox.

**Figure 3-2: Photograph looking east over the Project area on the slopes of the Dos Cabezas mountain peak, as seen from Highway 186**





**Figure 3-3: Photograph looking north over the Gold Prince mine site showing the steel core and sample container store and the main dumps outside the Level 6 adit portal and electrical distribution poles**



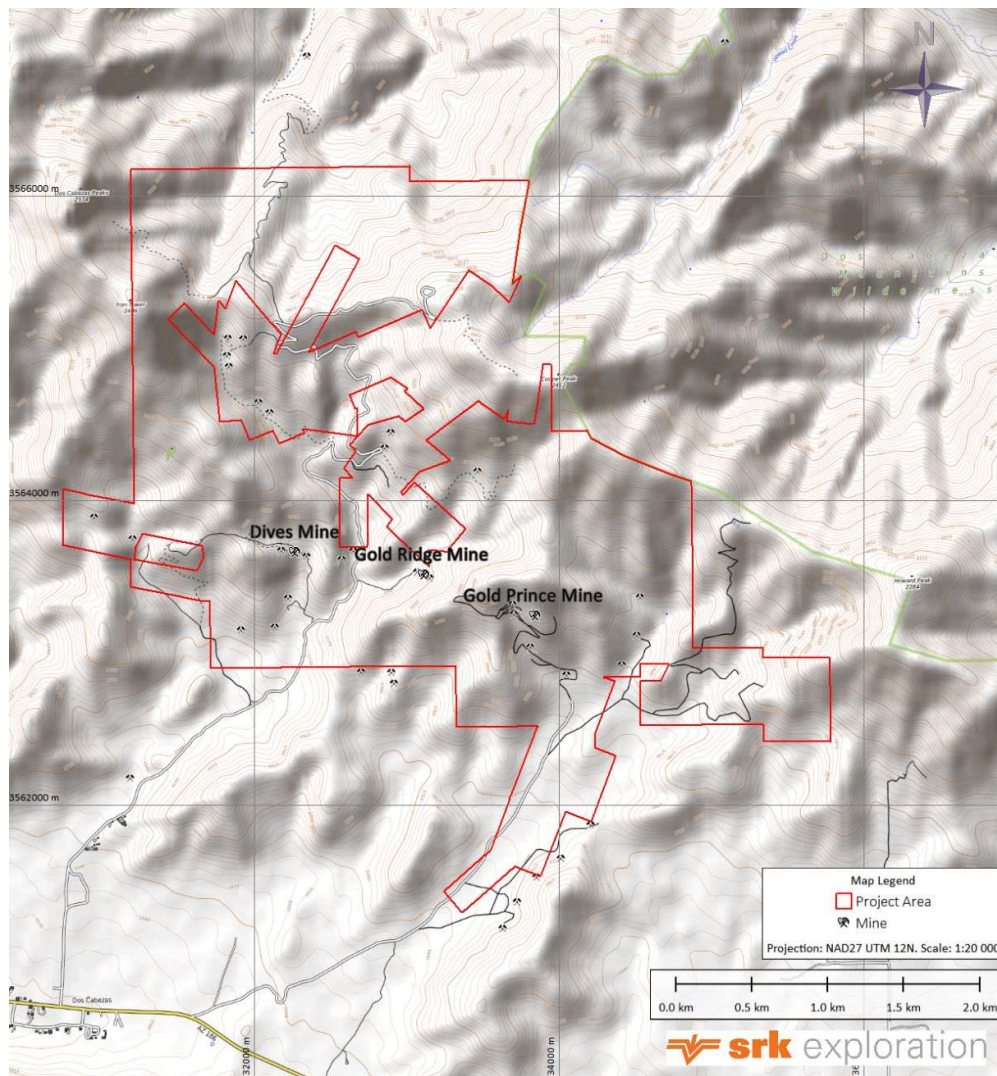
## 4 HISTORY

### 4.1 Introduction

Mining in the Dos Cabezas district began in the mid 1800's with intermittent work on a wide variety of gold-quartz veins and contact metamorphic copper deposits until the mid-1900's. The exact ownership and history is complicated by changes of names on several of the mines, however Table 4-1 lists summary details of the activities at the Gold Ridge mines.

Gold production came principally from the Gold Prince, the Gold Ridge and the Dives mines which are situated along strike of one another (Figure 4-1), but which are not interconnected underground. Most pre-Phelps Dodge production occurred in the early 1930's and the Dos Cabezas Mining Company drove the present 5-level of the Gold Prince mine in 1949.

**Figure 4-1: Map Showing locations of the historical mines and access over topography**



The Gold Prince Mine was operated by the small mines division of the Phelps Dodge Company between 1984 and 1986, during which time 14,238 tons were shipped with an average grade of 9.74g/t Au. This production was shipped to Phelps Dodge smelters and used for flux. Phelps Dodge completed significant core drilling during this time.

Queenstake Resources U.S.A., Inc. leased the property between October 1986 and September 1992. Queenstake drilled additional core holes, developed additional mine openings and undertook minor production. The final 22 months of this production was conducted through agreement with Queenstake by contract miners.

Western States Mining Corp. acquired the property in 1993 and operated it into the mid 1990's until it was shut down.

The historical exploration work on the property was obviously sufficient to identify economic mineralisation along the Gold Ridge vein system in at least three places; Gold Prince, Gold Ridge and Dives Mines, where economic production has occurred.

## 4.2 Gold Ridge Production

High-grade gold mineralisation occurs in gold-sulphide-quartz veins at the Gold Ridge project. The veins are part of a three-mile long vein swarm that includes both barren and mineralised veins. Table 4-1 and Table 4-2 summarise historical activity and past production from the Gold Prince Mine. Production tons and grade from the Gold Ridge and Dives mines are not known.

**Table 4-1: Summary of historical activity at The Gold Ridge Project**

Year	Organisation	Primary Activity
1877	Unknown	Dives discovered, located as the Bear Cave claim
1878 – 1880's	T.C. Bain	Gold Prince mine discovered (known as Murphy mine)
1878		Gold Ridge mine discovered (known as Juniper mine)
1881-1882		62 g/t ore produced from Gold Ridge mine
1890's	Casey Brothers	Operated Gold Ridge mine
1911-1914		About 1,000 oz Au produced from Dives
1914	T.W. Smith	Relocated claims on Gold Ridge mine
1916	Dos Cabezas Gold Ridge Mining Co.	
1919	Dives Mining Company	10 stamp amalgamation-concentration mill on Dives
1918-1921	Gold Prince Mining Company	25 tpd mill, 3,000 feet of workings
1922	Twin Peaks Mining Company	Owned Dives mine, but did little work
1922	J.H. Huntsman	Purchased Gold Ridge mine @ sheriff's sale for \$45,000
1930's	Consolidated Gold Mines Company	Dives 1800' (500 level) constructed 50 tpd float mill (later 150 tpd)
1931-1933	Dos Cabezas Mining Company	Additional development & production (some leasees)
1933	Tidmarsh Engineering Co. (Tucson)	Owned Gold Prince mine
1936-1939	Sutton, Steele and Steele (Dallas, TX)	Owned Gold Prince mine
1939	Alice & Nancy Huntsman	Owners of Gold Ridge mine

Year	Organisation	Primary Activity
1940	Outwest Mining Company	Owned Gold Prince mine
1949-1950	Dos Cabezas Mining Co. (John E. Mowinkle)	Property acquired & Gold Prince operated
1984-1986	Phelps Dodge Corp.	Produced silica-flux to Hidalgo smelter under lease from Mowinkle
1986-1993	Queenstake Resources	Produced silica-flux to Hidalgo smelter under lease from Mowinkle
1991-1992	Vorin Partners	Produced silica-flux to Hidalgo smelter under sub-lease
1993-1994	Western States Minerals Corp.	Option & purchase of property
1993-1996	Western States Minerals Corp.	Produced silica-flux to Hidalgo smelter
2005-2007	Western States Minerals Corp. and New West Gold Inc.	New West Gold leased the property from Western States
2009	Fronteer Development (USA) Inc.	Western States sold the property to Fronteer Development Inc. (former New West Gold USA)
2009	Continent Resources Inc	Continent signed purchase agreement to acquire from Fronteer Development Inc.
2009-2010	Golden Fame (USA) Inc	Golden Fame (USA) Inc. acquires property and drills 11 core holes from the surface
2014	Gold Ridge Holdings Limited	Gold Ridge Holdings Limited purchased property from Golden Fame
2016	Winston Gold Mining Corp.	Winston purchased property from Gold Ridge Holdings Limited
2018	Metal NRG PLC	Metal NRG purchased the property from Winston GMC

**Table 4-2: Gold Prince Mine past production summary**

Year	Ore Tonnes	Grade g/t Au (tonnes)	Ounces Produced	Operating Company
Pre - 1932	?	?	?	
1932 - 1933	3,785	19.88	2,419	
1949 - 1950	2,541	13.71	1,120	
1984 - 1986	12,920	10.73	4,456	Phelps Dodge
1988	451	11.66	169	Queenstake Resources
1989	4,638	8.70	1,298	Queenstake Resources
1990	2,201	14.79	1,047	Queenstake Resources
1991	3,029	16.50	1,607	Queenstake Resources
1992	2,007	10.71	691	Contract Mining for Queenstake Resources
1993	1,199	5.63	217	WSMC
1994	11,215	15.65	5,642	WSMC
1995	9,549	7.92	2,430	WSMC
1996	4,479	6.44	927	WSMC
<b>TOTALS</b>	58,015	11.81	<b>22,023</b>	



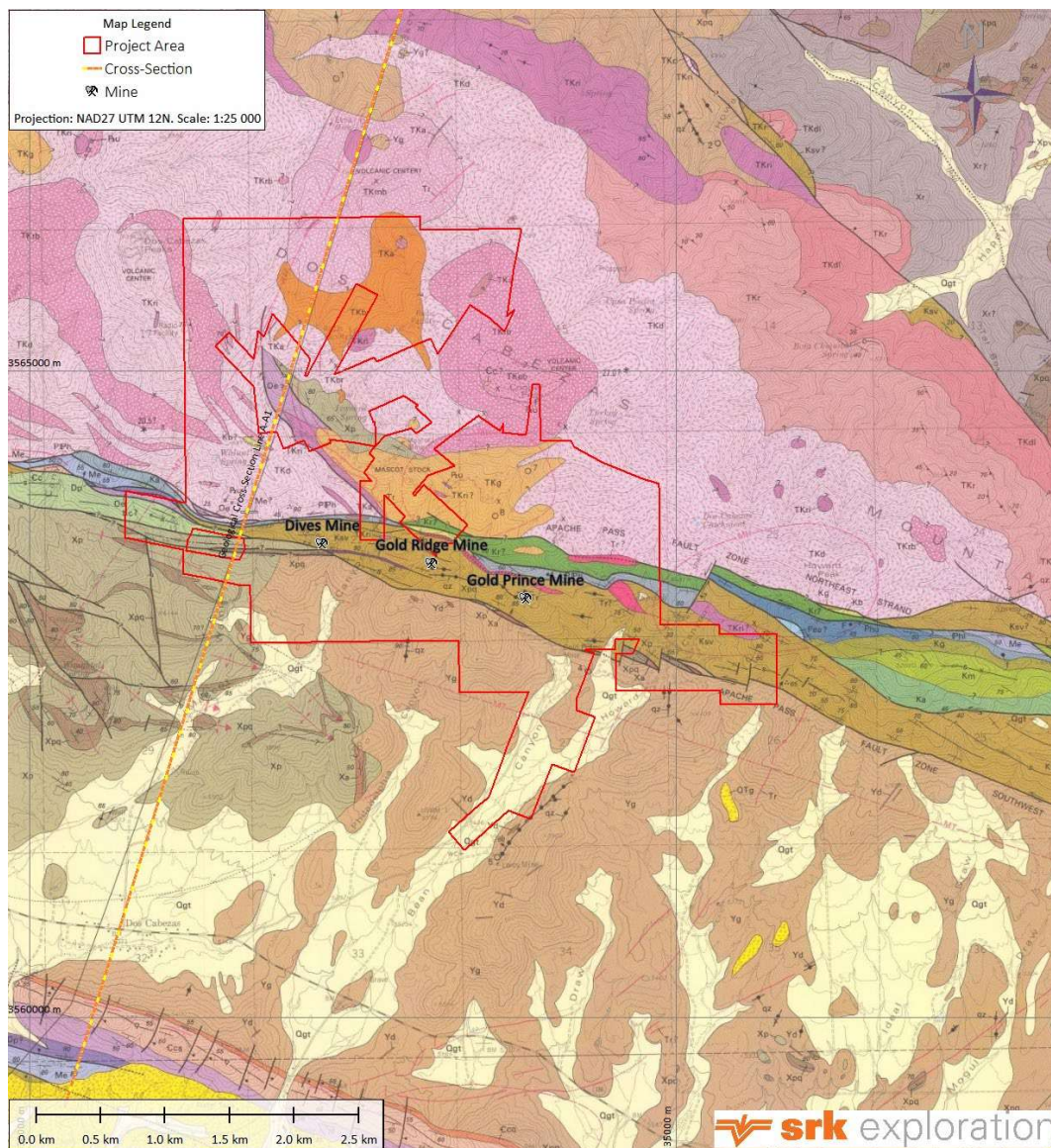
## 5 GEOLOGICAL SETTING AND MINERALISATION

The following geological sections have been sourced from Braun 2016.

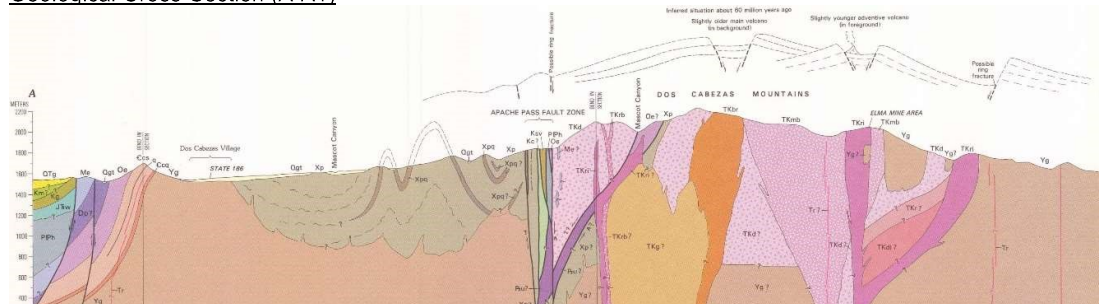
### 5.1 Regional Geology

The Dos Cabezas area is interpreted to be a large, late Cretaceous-early Tertiary plutonic-volcanic centre intruded into Precambrian, Palaeozoic and Cretaceous metavolcanics and metasedimentary rocks. These rocks were subsequently cut by the Apache Pass Fault Zone, a regional vertical shear zone (Figure 5-1) that is widely believed to control the location of high-grade gold vein systems like that at Gold Ridge.

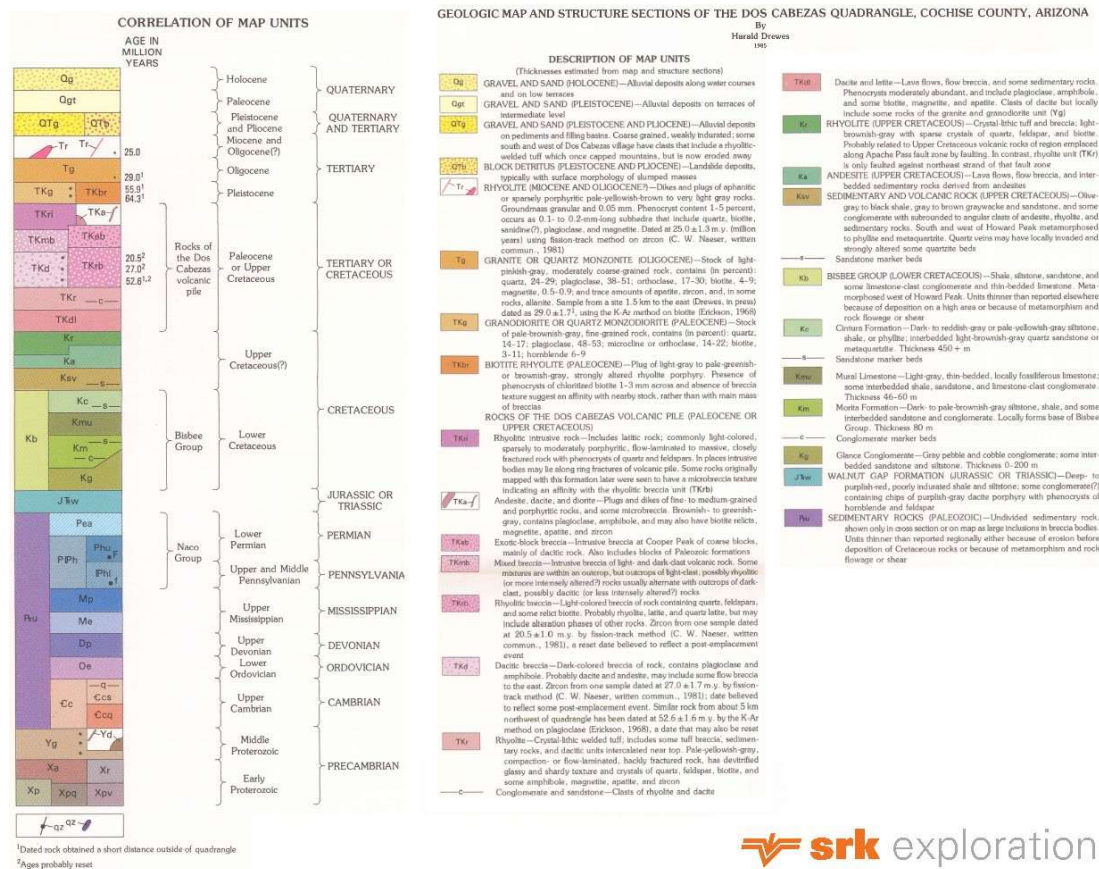
**Figure 5-1: Regional geology map and cross-section (adapted from Drewes, 1985)**



### Geological Cross-Section (A-A1)



Key to Figure 5-1:Regional geology map showing the trend of the Apache Fault Zone



The Gold Ridge project lies within the Dos Cabezas Quadrangle, underlain by metamorphic and plutonic rocks of Precambrian age. Palaeozoic and Mesozoic sedimentary and volcanic rocks occur in two north-westerly trending belts through the quadrangle, along the trace of the Apache Pass Fault Zone. Dacitic volcanic rocks of Cretaceous or Palaeocene age also occupy considerable areas and are important in relation to mineral deposits in the area.

The Apache Pass Fault, traced along a west-north-westerly trend for more than 32 km, is the dominant structural feature of the Gold Ridge project area. The fault is interpreted to have had a long history of recurrent movement and is believed to be an important control for the localisation of the mineralisation bearing veins of the district. Numerous late north- to north-westerly-trending



faults cross the main shear zone and offset mineralised veins from a few feet to several hundred feet. The Apache Pass Fault Zone is characterised by a marked magnetic low along its length.

The Precambrian rocks of the larger Dos Cabezas area include metasedimentary and metavolcanic rocks of the Pinal Schist, metamorphosed rhyolite and amphibolites which intrude the Pinal Schist. Later granitic plutons intrude all of the older rocks and have been dated at 1,450-ma.

Pinal Schist rocks include phyllitic siltstone or some greywacke, foliated parallel to bedding and interbedded with coarser-grained clastic rocks and quartzite. Quartzites are light-coloured and moderately thick bedded. The Precambrian metavolcanic rocks occur as a few intercalated lenses northeast of the Apache Pass Fault Zone. They are grey, massive to weakly porphyritic rocks and contain locally extensive lithic volcanic inclusions and are thought to be derived from andesite-dacite lava flows or tuffs. The 1450-ma intrusions are of intermediate to felsic composition, typically coarse-grained and, in places, display porphyroblastic and rapakivi textures.

Palaeozoic rocks lie unconformably upon the Precambrian rocks in two distinct west-north-westerly trending belts. The southerly-most of the two belts is generally undisturbed and contains thick sedimentary sequences. The northerly belt, containing the Gold Prince, Gold Ridge and Dives mines, hosts thin sedimentary sequences along the Apache Pass Fault Zone. Of particular note are carbonate rocks of the Permian Horquilla Limestone which host contact metamorphic copper deposits, cropping to the north of the gold-bearing veins.

Mesozoic sedimentary rocks lie unconformably over the Palaeozoic rocks and include the Lower Cretaceous Bisbee Formation consisting of shale, sandstone, siltstone, interbedded limestone and basal Glance conglomerate. Facies variations within rocks of the Bisbee group are common. Upper Cretaceous shales, greywackes, sandstone and conglomerate lying above the Bisbee group host the gold-bearing veins in the Dos Cabezas Mining District.

The Dos Cabezas volcanic pile of late Cretaceous or early Palaeocene age is made up largely of dacitic breccias but also includes some rhyolite breccias, rhyolitic welded tuffs as well as rhyolitic and andesitic intrusive bodies. Rhyolitic breccia is particularly abundant near Dos Cabezas Peaks and near Cooper Peak and may represent local volcanic centres. Several smaller pipes of mixed rhyolitic and dacitic breccias are interpreted as volcanic cones developed as the main magma mass moved upwards. Blocks of Precambrian intrusive as well as Palaeozoic rocks are found in some of these breccias.

A Palaeocene granodiorite stock intrudes the Laramide Dos Cabezas volcanic pile and older rocks and is generally considered a likely source for the copper and gold mineralisation of the District.

Plugs and dykes of aphanitic to slightly porphyritic rhyolite of Miocene and Oligocene age are the youngest igneous rocks in the Dos Cabezas. They occur within the Apache Pass Fault Zone and are exposed on the surface and in underground workings on the Gold Ridge project.

Quaternary alluvial deposits, with placer deposits, cover the canyon floors and extend out into the main basin. The placers were worked in the earlier years of mining in the district.

## 5.2 Local Geology

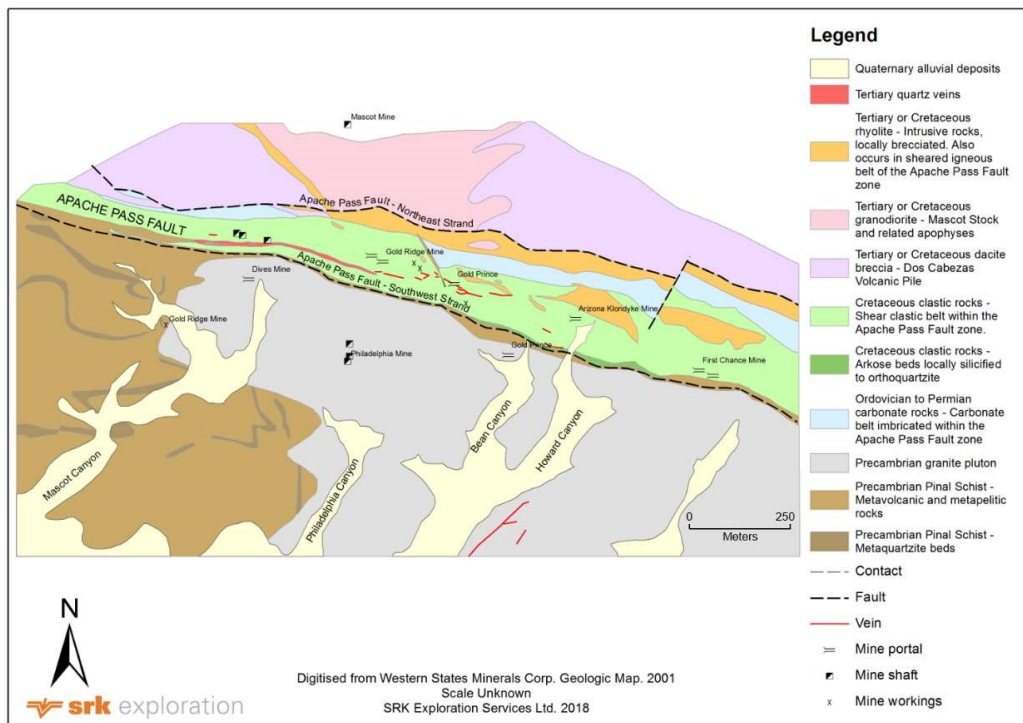
Gold-bearing, irregular, quartz-sulphide veins occur within a sheared and faulted zone, part of the Apache Pass Fault system, in the Cretaceous Bisbee Group sediments (Figure 5-1). The productive veins in the Gold Prince Mine parallel the main shear zone and are localised along a complex set of related west-northwest, south dipping quartz veins and shears. The fault zone juxtaposes Precambrian rapakivi granodiorite adjacent to over-turned to vertically-dipping and sheared Cretaceous Bisbee Group sediments and overlying late Palaeozoic limestone. Dioritic intrusive rocks are usually present at the Bisbee Group-rapakivi granite contact.

The high-grade gold-bearing vein system at the Gold Prince mine is part of a three-mile vein swarm that includes both barren and mineralised veins. West of the Gold Prince mine, the Gold Ridge mine appears to have been offset approximately 120 m to the north along an ill-defined cross-fault.

Bisbee Group sediments are, in general, weakly metamorphosed. Graphitic phyllite, laminated grey quartzite and phyllite and arkose are intruded by andesite dikes. Exotic breccias, probably tectonic and not hydrothermal in origin are occasionally encountered. Lithology varies in thickness from inches to tens of feet and small to moderate bedding offsets are seen along vertically-dipping, bedding plane faults. Empirically, quartz-sulphide veins seem developed best in areas with an arkosic footwall and a graphitic phyllite hanging wall.

Gold mineralised zones in intrusive andesite and exotic breccias have sporadic but anomalous gold values. Exotic breccias usually cross-cut bedding but are sometimes parallel to bedding. Andesite dikes are typically sericitized and silicified and may have some relationship to mineralisation found in breccias in the gold veins and gold vein structures.

**Figure 5-2: Simplified Geological map of the central Gold Ridge Project area**



**Figure 5-3: Photograph of Surface outcrop of quartz veins associated with the Apache Pass Fault system, above Gold Prince Mine**



### **5.2.1 Structure**

Geological structures within the Project area bear witness to a complex history of fault activation, reactivation and fault block movement and shearing along the Apache Pass Fault zone likely stretching back to the Precambrian era. The gold bearing veins which form the basis of the historical production have historically been interpreted as being part of a steeply dipping shear zone, though a detailed structural assessment of the property, as a driver for exploration targeting, is currently lacking.

Previously Hembree (1989) describes a steeply dipping shear zone, from 150 to 300 m wide, thought to represent a zone of differential shear stress between two main strands of the Apache Pass Fault zone. This feature is exposed on surface and in underground workings and has been followed for 2.5 km between the Gold Prince and the Dives mines. The gold/silver-base metal sulphide bearing veins of the District occupy this northwest trending shear zone. This zone is locally offset, sometimes for as much as several hundred metres, by several north to north-westerly trending faults which cross it.

As part of the February 2021 SRK site visit, three mapping traverses were completed to evaluate the structural setting of the Project area. Each traverse covered one of the three major structural blocks shown in Figure 5-3 and defined as follows:

- The Northern Block includes all Late Cretaceous age volcanic rocks and the Mascot Stock.
- The Apache Pass Faults Zone (“APFZ”) block covers the belt of highly dissected Precambrian lithologies internal to the historically mapped fault zone.
- The Southern Block hosts the Megacrystic Granite located to the south of the APFZ.

### **Apache Pass Fault Zone**

The Apache Pass Fault Zone, (“APFZ”), includes all lithologic units located south of the volcanic block and north of the Precambrian granite. The block hosts mainly Precambrian lithologies dissected into an anastomosing ductile fabric style. The small-scale contacts of the lithologic units generally are aligned slightly oblique to the overall strike of the APFZ. Fold and boudin, long axes are reported to be steeply dipping. This fabric is interpreted to be representative of a relatively high strain, ductile fabric which likely reflects largely dip slip movement within the APFZ. The ductile fabric of the anastomosing lithic contacts is cut by quartz veins and minor gouge faults defining a later stage, brittle fabric. Most of the quartz veins define the west-northwest striking, vertical fabric which parallels the overall strike of the APFZ. This fabric hosts the larger veins referred to as “Main Qtz Veins”, which are generally 15-60 cm in width. Many of these veins host slicken sides which illustrate a range of movement from strike slip to dip slip.

There are also abundant small quartz veins (“Small Qtz Veins”), 1-5cm wide, which define two predominant orientations (see Figure 5-3 Apache Pass FZ stereonet). Each of the two sets appear to be of similar age to the Main Qtz Veins. One set strikes N-NE dipping near vertical to the NW or SE. The second set strikes west-northwest parallel the Main Quartz veins but dip moderately to the north. The moderately north dipping set is interpreted to represent extension veins associated with south side down movement along the APFZ (Figure 5-5).

### **Northern Block**

Within the volcanic rocks of the Northern Block, numerous small, open space fill, sheeted quartz veins were also measured. These veins define a single set which is largely oriented at or near horizontal. The veins are associated with high oxidation and gossan. Figure 5-3 shows a lower hemisphere stereonet plot of the poles to veins in the Northern Block.

### **Southern Block**

Within the Precambrian rocks of the Southern Block, numerous small, open space fill, sheeted quartz veins were also measured. These veins generally strike north-northeast with steep dips. They occur in a wide range of geometries including, small isolated veins, small sheeted vein arrays (Figure 5-5) and large (1-2m wide) veins which constitute the Philadelphia Mine. Slickensides are present on some of the veins which indicate strike-slip to oblique slip movement vectors. see Figure 5-3 shows a lower hemisphere stereonet plot of the poles to veins in the Southern Block.

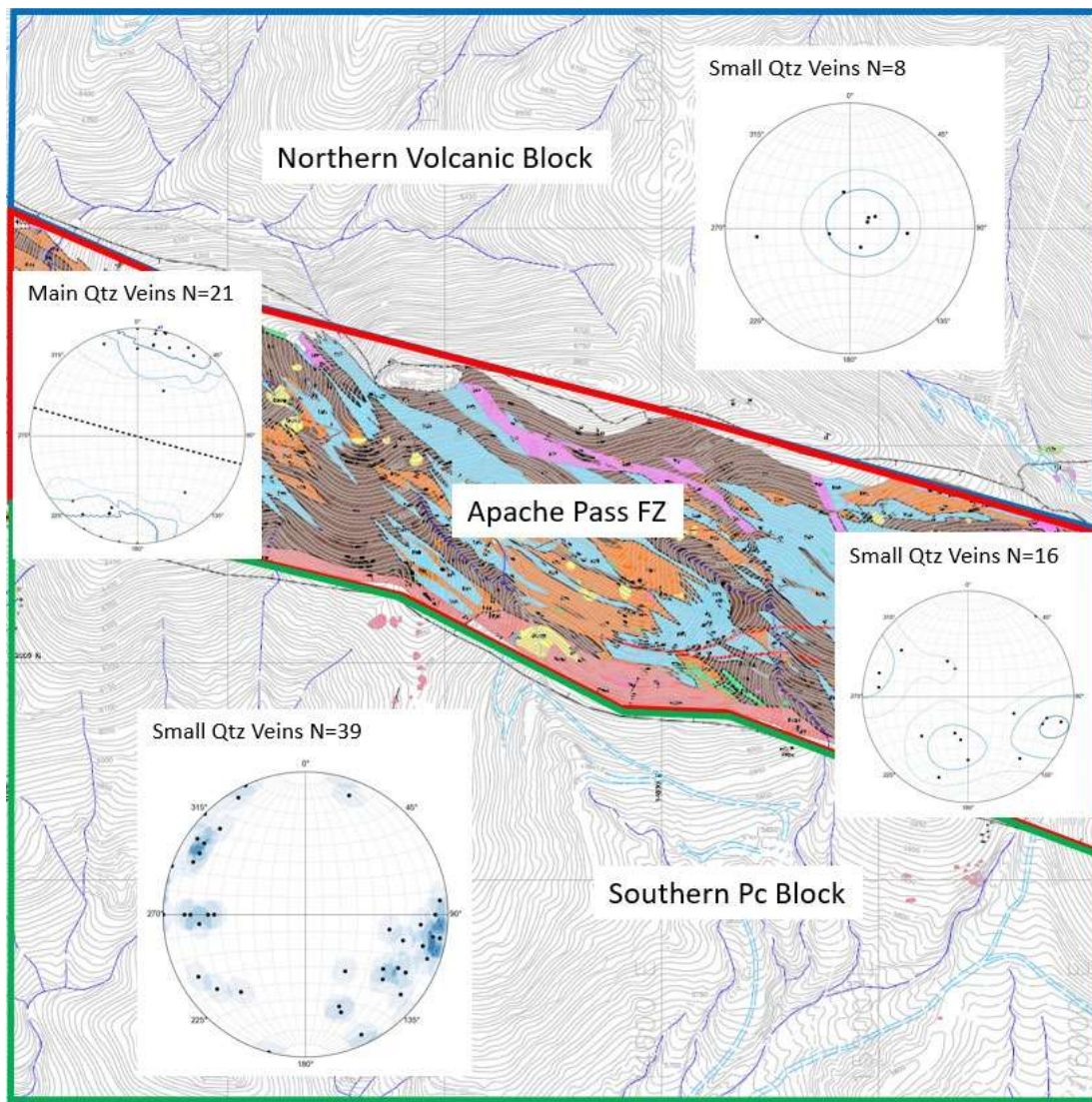
### **SRK ES Comments**

The brief structural review undertaken during the most recent site visit has identified significant differences between quartz vein geometries and orientations within each of the major tectonic blocks. Additional work is recommended to further refine the structural mapping with the goal of defining the kinematic strain history of the project area and its controls on gold mineralisation.

Structural mapping should also be undertaken in the accessible underground workings so that vein geometries can be tied in with the surface survey work. A review of the underground plans of the Gold Prince mine shows subtle variation in stope geometry between the adit levels which is likely reflecting a steeping of the main ore shoot veins with depth. Integrating this structural data with the historical underground assay data should also prove inciteful in developing a predictive model for the location of further gold mineralisation.

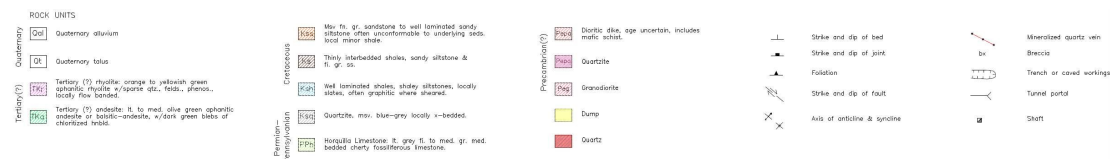


**Figure 5-4: Plan view of central portion of Project area showing structural blocks with poles to quartz veins plotted on lower hemisphere stereonet and 1999 Apache Pass Fault Zone geological mapping**



**Key:**

Apache Pass Fault Zone Geological Mapping (Western States Minerals Corp. 1999)



Northern Volcanic Block & Southern Pc Block shown underlain by topographical map with contours in feet, showing Project area access tracks and drainage pattern.

Projection: Local Project Grid on 1,000ft (approx. 305m) grid squares. Not shown to Scale.



**Figure 5-5:** View to the N-NW along strike of the APFZ showing the steeply dipping Main Vein set and the moderately north dipping, smaller extension veins



**Figure 5-6:** Viewing to the N-NE along strike of the sheeted smaller quartz veins located within the Southern Block



### 5.3 Mineralisation

Two principal styles of mineralisation are found in the Dos Cabezas Mining District. Gold-base metal sulphide quartz veins occur within the Apache Pass Fault Zone and contact metamorphic, skarn deposits of chalcopyrite, pyrite and magnetite in carbonate rocks are found immediately adjacent to Laramide Orogen stocks. To date, the Gold Ridge property is known to host gold-base metal sulphide quartz veins within the Apache Pass Fault Zone.

Gold and silver bearing quartz-sulphide veins consist of coarsely crystalline quartz with pyrite, galena, sphalerite and chalcopyrite. Native gold occurs in pyrite as very-fine-grained blebs and fillings in crystal defect sites in pyrite and sphalerite. Native gold is also found preferentially in friable and cupriferous pyrite relative to massive euhedral pyrite in the quartz veins.

**Figure 5-7: Mineralised material seen underground on level 6, Gold Prince Mine**





These sulphides are frequently arranged in bands or coarse aggregates within the quartz and appear to be more common on the hanging wall side of the veins. Oxidation may extend to depths of 90 metres from the surface. Gold grade ranges from zero to 310g/t Au have been recorded (Pawlowski 1985). The gold/silver ratio is roughly 1:1. Lenticular ore shoots, 30 – 120 metres in length and are found in various locations throughout the width of the shear zone. They persist from the surface to the lowermost workings.

The Gold Prince mine also contains gold in disseminated ores in wall rock, in early carbon-calcium carbonate-quartz veins and in the quartz veins. All are hosted by the Cretaceous Bisbee Group shales and quartzites. Wall rock alteration associated with the veins includes silicification and chlorite-sericite-pyrite assemblages. Alteration intensity is greater in the more competent units.

Determining the orientation and manifestation of these veins and mineral disseminations should help correlate them with veining seen at surface during the preliminary structural assessment work.

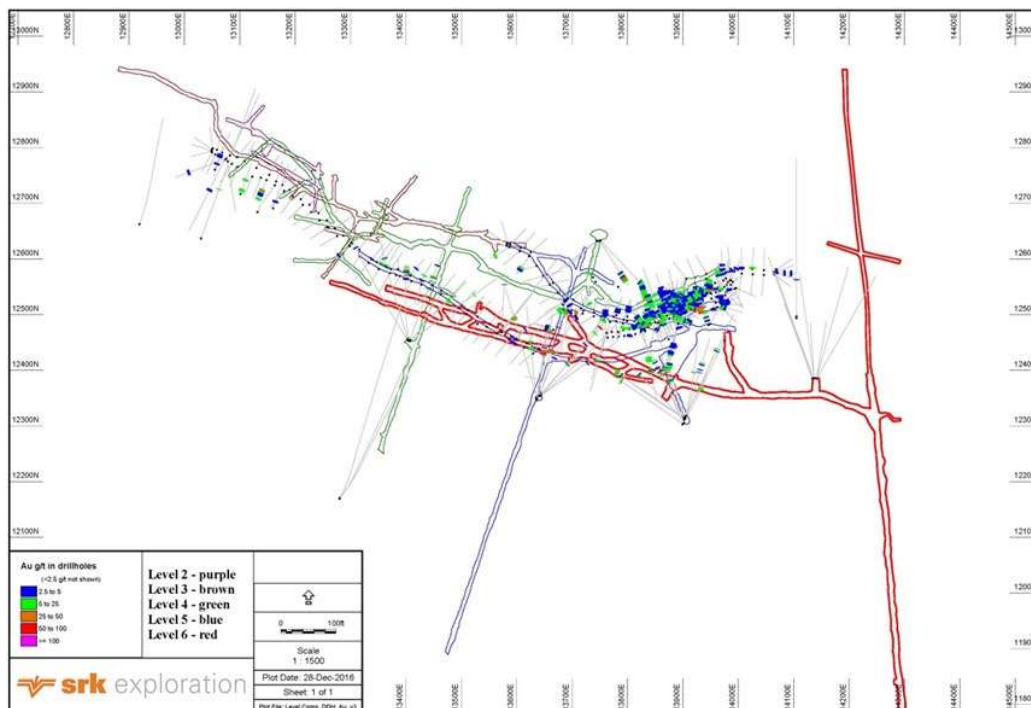
## 6 EXPLORATION

The Gold Ridge project area comprises three historic underground mines with a combined estimated 1,785 m of underground development. The three mines include, from northwest to southeast the Dives, Gold Ridge and Gold Prince mines. The Gold Prince mine has numerous development and production openings over five developed levels with four cross-cut access drifts (Figure 6-1 and Figure 6-2).

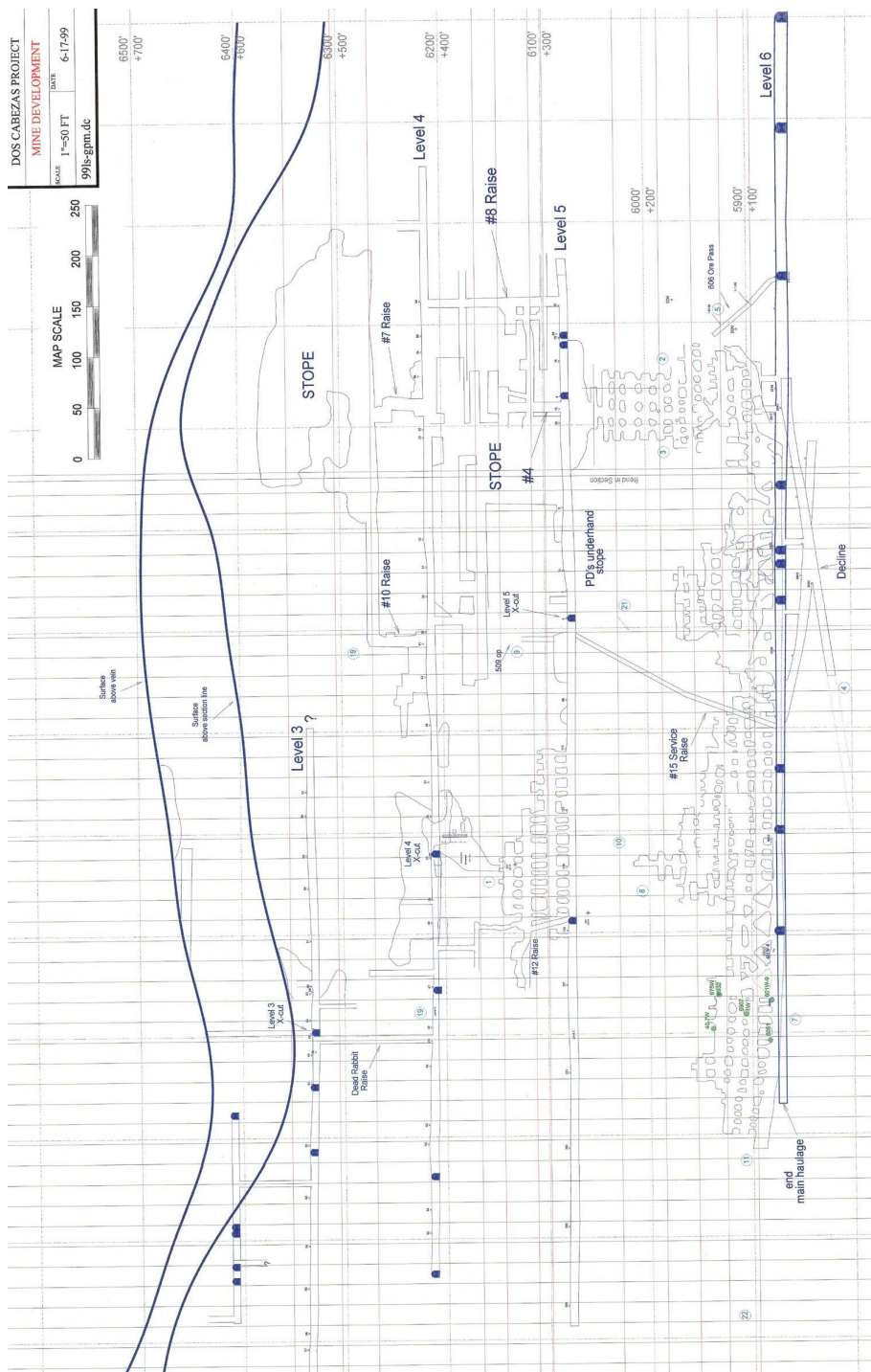
Historical data exists in various formats comprising underground rock chip and channel sample geochemistry, stope production records, drift and surface geological mapping, surface soil and rock chip geochemistry and surface and underground drilling records. These are based on the work of several companies who previously operated the property.

Much of these data has not been fully evaluated and in many cases, it is unlikely that the records are sufficient to support its inclusion in future formal resource calculations. However, SRK ES considers that the data was generated by competent professionals and is thus valuable for internal studies and to inform and guide future exploration.

**Figure 6-1: Composite plan map of the 5 levels of The Gold Prince Mine (mine grid coordinates)**



**Figure 6-2: Scanned extract of the Gold Prince mine long section showing the development of stopes and main levels with reference to the mine grid (Western States Minerals Corps, 1999)**



Golden Fame collected 14 surface and underground samples to confirm the general grades and styles of mineralisation described by historical records. Golden Fame also contracted Mine Mappers LLC to access some of the underground workings of the Gold Prince mine to compare the extent of the workings to the existing maps of the several levels of the mine.

Mine Mappers found that, due to the method of mining employed, tall open stopes exist above many parts of the mine rendering access unsafe without extensive work to mitigate the hazard of rock fall. However, even though access for much of the stoped area was not available, some inspection was possible, and it was concluded that the later mine maps had not been updated to show the last period of stope mining. As the final stages of mining were limited in their extent, the error in the plans is likely to be minor. They did find that, where still visible in the back floor and pillars, the vein is 0.6-3 m wide with variable sulphide content, and very high grade in some of the areas where historic mining had occurred.

Due to the fact that significant portions of the mine are not safe to access, Golden Fame decided to drill several core holes from the surface across the plane of the vein as described below. Several of the core holes in the upper reaches of the vein intersected open stopes in the plane of the vein confirming that stope mining had occurred in the Gold Prince that was not shown on maps of the workings.

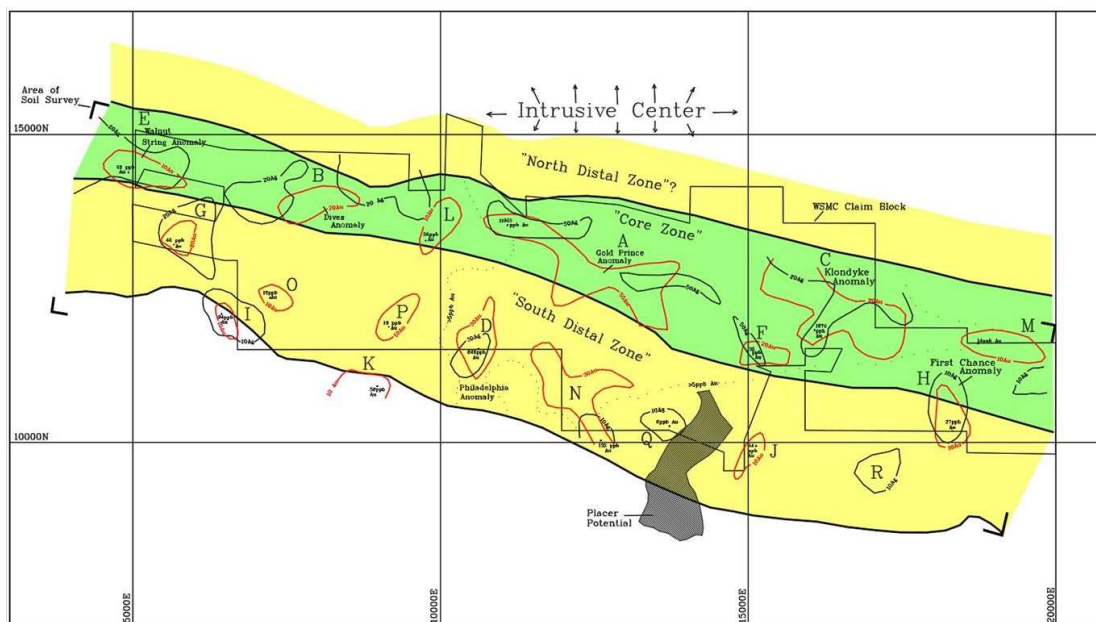
Investigation along the surface trace of the Gold Ridge vein system confirmed that the vein outcrops across much of the Company's land holdings and represents a geologic target for surface sampling, geochemical studies and drilling that has potential to discover additional shoots of high-grade material similar to that mined at the Gold Prince, Gold Ridge and Dives mines.

## **6.1 Historical Surface Geochemistry**

Historically, 281 soil samples were collected from a grid oriented across the Apache Pass fault zone, covering the Gold Ridge project. An additional 254 rock chip geochemical samples were collected from the area. Both geochemical sets contain 35-element ICP results plus fire assay Au and Ag results, Winston acquired and digitally captured these data. Unsurprisingly these data highlight high grade anomalies over the three known deposits (Figure 6-2).

1,592 rock chip and channel samples were also collected from the underground drifts. Records of these underground samples are not as complete as for the surface sampling described above but perhaps some of the data may be recoverable with further investigation of the paper archives.

**Figure 6-3: Scan of the hand contoured soil sample gold assay anomalies (mine grid coordinates, dated 2001)**



## 6.2 Golden Fame Sampling

Golden Fame contracted Mine Mappers LLC who spent a total of 15 days at the site in 2009 and early 2010 examining surface outcrops, collecting check geochemical samples, assessing the quality of the geological database and examining the vein occurrences on the accessible underground workings of the Gold Prince mine.

Mine Mappers collected geochemical check samples from both surface and underground locations. They selected sample sites to represent the full range of assay values including high-grade, low grade and unmineralised materials. Samples were collected by hand using rock hammers and chisels. Samples were of approximately 2-5 kg and were transported directly to Skyline Analytical Laboratories in Tucson. The samples were in the custody of Mine Mappers, L.L.C. geologist Mark Osterberg until handed over to Skyline Analytical Laboratories for analysis. Results are tabulated in Table 6-1 and confirm the presence of significant high-grade vein mineralisation (Figure 6-3).

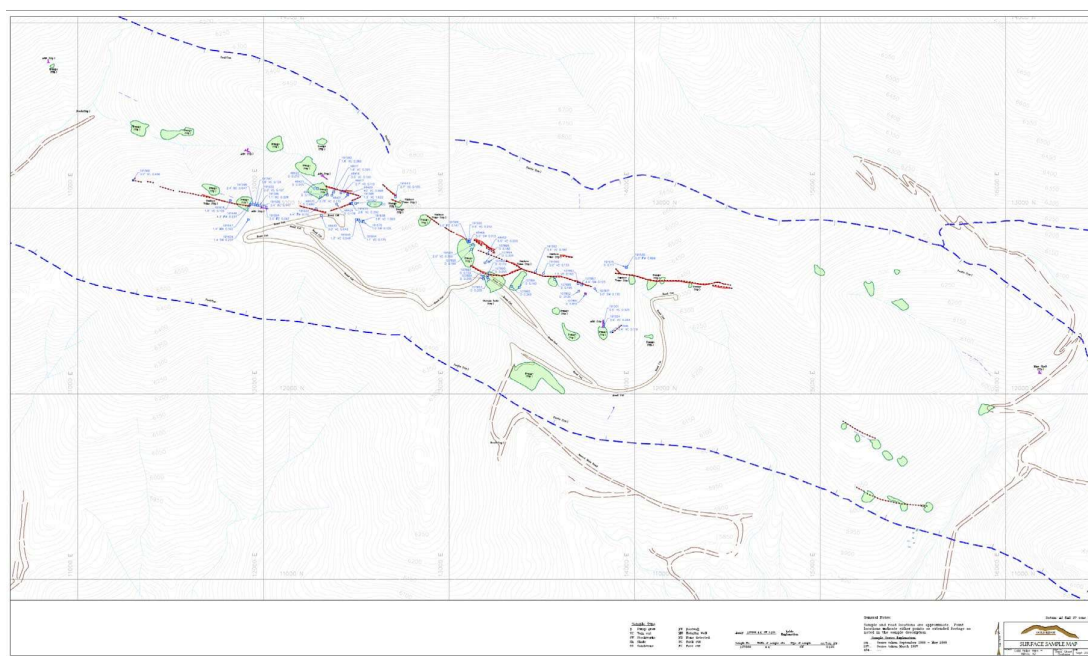
The outcrop portion of the geological map was also checked and confirmed by comparing the trace of a prominent quartz vein on the ground with its mapped depiction.

Both geochemical and geological databases are deemed to be of good quality and the geological database meets professional standards.

**Table 6-1: Verification sampling results**

Sample	East	North	Au (g/t)	Ag (g/t) Gravimetric	Ag (g/t) (AA)	Description
R102809-01	633521	3563186	0.58	<3	1.4	1 m wide chip channel. White quartz vein. Schist wall rock.
R102809-02	633498	3563169	2.43	3	6.6	Dump. Quartz vein material.
R102809-03	N/A	N/A	N/A	N/A	N/A	Sample not submitted to laboratory.
R102809-04	633730	3563128	1.20	<3	1.3	1 m wide chip channel sample. Sheared quartz vein.
R102809-05	634049	3562989	2.88	<3	1.7	0.3 m wide chip channel sample. Quartz vein.
R102809-06	634123	3562607	16.60	14	12.2	Dump. Quartz vein material.
R102809-07	634478	3562701	0.21	4	0.5	3 m wide chip channel. White quartz vein. Schist wall rock.
R102809-08	634185	3562594	21.77	40	45.3	Dump. Quartz vein material.
R102809-09	633672	3563027	0.03	<3	0.2	3-m wide chip channel. Schist sample without quartz vein.
R102809-10	634032	3563066	6.86	21	23.9	Dump. Quartz vein material.
U11052009-1	634018	3563195	0.07	NA	NA	6-Level: 3 m wide quartz vein
U11052009-2	633985	3563200	0.10	NA	NA	6-Level: 2.5 m wide quartz vein
U11052009-3	633935	3563228	0.65	NA	NA	6 Level: 3 m wide quartz vein
U11052009-4	633847	3563231	150.96	NA	NA	6 Level: 3 m wide white quartz vein, 6 level main stope pillar

**Figure 6-4: Scanned map of Gold Fame 2009/10 sampling programme results**





### 6.3 MetalNRG Sampling

Rockhead Consulting LLC was retained by the Company to undertake underground pillar sampling at the Gold Prince mine during November 2019. A total of ten unmined pillars in stopes readily accessible from the Level 6 adit were sampled with a further three samples taken from faces within the Level 4 adit. A total 18 samples were analysed at the accredited laboratory of ALS USA Inc utilising the ME-GRA21 analytical package for the determination of high grade gold by fire assay and gravimetric finish. The results showed a high degree of variability with the sampled pillars ranging between 30.4g/t Au and nil (Table 6-2) illustrating the need to better understand the nature and character of the gold mineralisation ahead of any pillar exploitation.

A sample of vein material collected by MNRG from the rock dump outside the Gold Prince Mine Level 6 portal during September 2019 is reported to have assayed 3,949 g/t Au further illustrating the high grade potential of the Project.

**Table 6-2: Rockhead Consulting LLC underground sampling results, November 2019.**

Sample Number	Au (g/t)	Mine	Sampled*		Description
29630	0.58	Gold Prince	Face		Headhunter Face
29631	30.40	Gold Prince	Pillar		Pillar #1 Vein
29632	Nil	Gold Prince	Pillar		Pillar #1
29633	6.48	Gold Prince	Pillar		Level 6: Pillar #2
29634	5.44	Gold Prince	Pillar		Level 6: Pillar #3
29635	4.00	Gold Prince	Pillar		Level 6: Pillar #4
29636	Nil	Gold Prince	Pillar		Level 6: Pillar #6
29637	3.94	Gold Prince	Pillar		Level 6: Pillar #9
29638	0.17	Gold Prince	Pillar		Level 6: Pillar #11
29639	1.31	Gold Prince	Pillar		Level 6: Pillar #13
29640	1.79	Gold Prince	Pillar		Level 6: Pillar #15
29641	2.38	Gold Prince	Pillar		Level 6: Pillar #17
29642	1.80	Dives	Face		Dives 300' level portal brow
29643	0.88	Dives	Face		Dives East upper cut
29644	Nil	Dives	Face		Mascot Mine Rd. Dives cut
29645	3.45	Gold Prince	Face		Level 4: east face
29646	1.44	Gold Prince	Face		Level 4: east graphite
29647	4.03	Gold Prince	Pillar		Level 4: Pillar #10 shoot

Note: \* sample type and length information not provided.

## 6.4 SRK ES Comments

Whilst the majority of the non-drilling exploration has been to some extent validated by the Golden Fame and more recent MNRG work, very little has been conducted beyond the limits of the known areas of mineralisation.

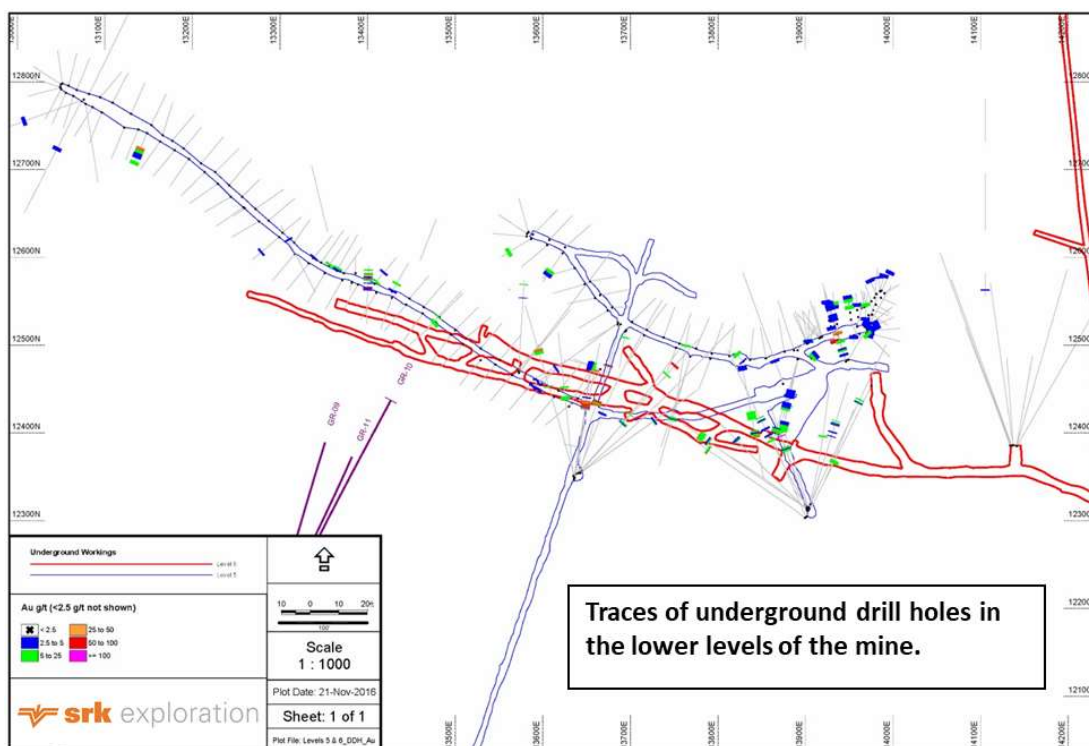
Systematic investigation of the Apache Pass Fault Zone and its mineralised potential has not been conducted, or no record of such work is available. Historical prospectors were reasonably thorough in their approach and it is safe to say that had there been surface exposure of other mineralised zones then these would have been exploited in the past. However, mineralised shear zones of this nature are often discontinuous both along strike and down-dip, thus there is still potential for mineralisation to occur along strike of the three mines but at depth and not outcropping at surface. The discovery of such zones will require systematic investigation of the zone using modern exploration methods and analytical techniques coupled with extensive surface drilling.

## 7 DRILLING

A total of 447 historical drill holes are recorded, with data from 435 of these recorded in the Gold Prince database. Of these holes only the latest 11 drilled in 2009-2010 by Golden Fame can be considered compliant with modern standards of drilling logging and assaying, however earlier data can still be used for the purpose of geological interpretation and exploration planning.

The distribution of the majority of the historical drill holes drilled underground on levels 5 and 6 is shown on Figure 7-1.

**Figure 7-1: Drill hole traces from underground drill stations in The Gold Prince Mine, Levels 5 and 6**



A summary of drilling completed at Gold Prince outlining the type of holes drilled and for which company is presented in Table 7-1.

**Table 7-1: Summary of drilling completed at Gold Prince**

Type	Number	Purpose	Year	Company
Core	44	Exploration and Development	1984-86	Phelps Dodge
Core	29	Exploration and Development	1986-93	Queenstake
Long-hole	50	Development	1986-93	Queenstake
Long-hole	41	Development	1984-86	Phelps Dodge
Long-hole	260	Development	1993-96	Western States
RC	12	Exploration	1993-96	Western States
Core	11	Surface Exploration	2009-10	Golden Fame USA Inc.
<b>Total</b>	<b>447</b>			

All of the drilling prior to the Golden Fame work was conducted before the advent of NI 43-101 standards and QA/QC procedures, thus recoveries and sampling issues are not available and results from this drilling can only be used for internal studies and as a guide for future exploration.

Golden Fame drilled eleven (11) surface core holes. The purpose and the results of the Golden Fame drilling are detailed separately in section 7.1 below. The Golden Fame work was done in compliance with modern standards of sample security and QA/QC procedures. The core from this drilling is available and stored in a steel container on site.

## 7.1 Golden Fame Drilling Programme 2009 and 2010

Golden Fame drilled a total of 11 surface HQ diamond drill holes in December 2009 and January 2010 (Table 7-2 and Figure 7-2). Drill holes GR09-01 through GR09-08 were drilled to intersect near-surface projections of the exposed veins and to test ore blocks identified by Queenstake and Western State Minerals Corporation. Vein intercepts with Au assays greater than 3 g per metric ton were encountered in holes GR09-01, GR09-04, GR09-05 and GR09-06 (Table 7-3). GR09-08 contained a near surface intercept of 0.073 opt Au but the log does not record a coinciding vein intercept. GR09-09, GR09-10 and GR09-11 were deeper angle holes oriented to intercept the main vein below the 6 level. Hole GR09-10 was lost in a stope above the 6 level. Holes GR09-09 and GR09-11 did not intersect the projected quartz vein target below the 6 level.

Throughout Golden Fame's programme, core recovery was essentially 100% except where the drill encountered voids, which are interpreted to be historically mined out parts of the vein.

The veins in the Gold Prince mine generally dip steeply to the southwest at dips of 45 to nearly 90 degrees below the southwest dipping slopes of the overlying mountain side, allowing the shallower surface drilling to intersect the vein at favourable high angles. Deeper surface drilling becomes less useful since the vein typically steepens with depth while the mountain slope flattens requiring ever deeper holes to intersect the vein at progressively shallower (closer to parallel) angles.

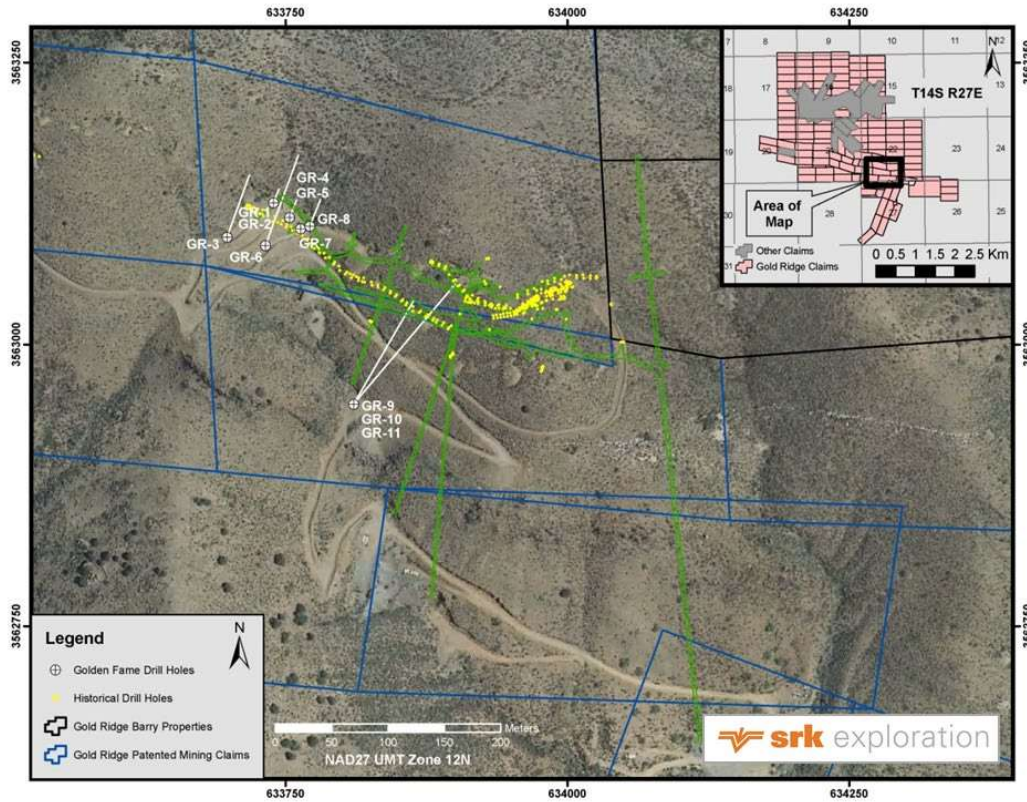
It is not currently clear to the extent that the main Gold Prince stopes were developed on an ore shoot developed on a single main vein or over a series of parallel or anastomosing veins. It is likely that the true picture reflects a combination of these, and a structurally led assessment will help make this determination.

**Table 7-2: Summary of diamond core drill holes completed by Golden Fame in 2009 and 2010**

Drillhole	Elevation (m)	Easting *	Northing *	Azimuth	Dip	Total Depth (m)
GR-01	1,971	633678	3563322	20	45	19.5
GR-02	1,971	633678	3563322	20	70	6.5
GR-03	1,976	633637	3563292	20	50	91.4
GR-04	1,966	633692	3563309	20	45	24.4
GR-05	1,966	633692	3563309	20	70	19.5
GR-06	1,966	633671	3563284	20	45	122.5
GR-07	1,963	633702	3563299	20	45	6.8
GR-08	1,967	633710	3563302	20	45	36.6
GR-09	1,899	633749	3563144	30	60	214.3
GR-10	1,899	633749	3563144	40	45	127.6
GR-11	1,899	633749	3563144	40	58	249.9

Note: \* UTM Zone 12 N NAD27

**Figure 7-2:** Plan map of Golden Fame drill holes from December 2009 & January 2010. Surface projection of the underground workings in Gold Prince Mine are shown in green.



**Table 7-3:** Significant Intercepts (>3g/t) from The Golden Fame Drilling Programme 2009 - 2010

Drillhole	From (m)	To (m)	Thickness (m)	True Thickness (m)	Au (g/t)
GR09-01	4.1	5.4	1.25	0.82	3.29
GR09-01	11.4	12.9	1.43	0.94	2.95
GR09-04	1.8	3.7	1.83	1.20	5.49
GR09-04	10.7	12.2	1.52	1.00	6.86
GR09-05	7.8	8.4	0.55	0.16	20.43
GR09-06	40.2	40.6	0.34	0.22	22.94

Most of the higher-grade assays in this programme came from 0.3-1.2 m thick quartz veins. These veins are either unmined areas of the historically productive veins or narrower parallel veins adjacent to the main veins. Noticeably the grades recorded from this drilling are significantly lower than would be expected from the overall perception of the average grade of the deposit based on the production figures in Table 4-2. The extent to which this grade difference is due to the low drilling density and natural variability in the vein grades and the nugget effect, versus the reliability of the historical production figures needs further consideration.

## 7.2 SRK ES Comments

Overall, the drill hole database is a useful tool for guiding future work. Potentially, verification drilling may allow some of the existing data to be used for future resource calculations.

In Arizona, surface drilling deeper than 33 m requires detailed permitting thus proper planning and thought needs to go into the process as drilling cannot be an instantly dynamic process.

Underground drilling is a much simpler planning process, but access will be restricted due to underground safety issues. Whilst underground drilling would be useful to delineate the potential mining blocks in the areas adjacent to historically mined areas, it would be somewhat restricted for wider scale exploration without new development.

The results of the deeper holes drilled by Golden Fame were disappointing, thus highlighting both the structurally complex nature of the mineralisation and its variable continuity in all directions. Several hypotheses exist as to why the deeper holes failed to intersect the mineralisation at the predicted location, whether this be faulting, changes of dip or plunge. It is however still highly likely that the mineralisation continues at depth but suffice it to say that similar situations will likely be encountered with future drilling.



## 8 SAMPLE PREPARATION, ANALYSES AND SECURITY

During the drilling programme, Golden Fame collected the core from the drill and stored it in a locked and secure portable building. Core was sawn in half and sampled on a maximum standard interval of 1.5 m under controlled secure conditions. In areas of interest, such as sulphide bearing quartz veins, shorter samples were taken to more accurately characterise the specific mineralisation encountered. In some apparently un-mineralised intervals of wall-rock, the samples were collected every 1.5 m, but only every-other interval was sent to the lab with the other bags stored on the site in a locked metal shipping container. These samples remain on site and do not appear to have been tampered with.

**Figure 8-1: Core and un-assayed core samples from the 2009-2010 drilling campaign stored on site at Gold Prince**



The bagged samples to be sent for assay were stored in the locked container until they were delivered to the laboratory in Tucson. All core and samples were kept secure from the time of drilling through delivery to the lab.

At the lab, samples were dried, crushed, split and pulverised then assayed for gold using the standard fire assay-atomic absorption method. Samples assaying at or above 3,000 ppb gold were re-assayed by classic fusion/gravimetric methods. A subset of the samples was also analysed by multi-element ICP to look for trends in trace metal geochemistry that might be useful in interpreting the nature of the mineralisation.

Skyline Laboratories introduced standards and blanks into the sample stream submitted to the lab. Golden Fame included at least one blank or standard per 20 samples submitted but typically the rate of standard insertion was more frequent approaching one standard or blank every 15 samples submitted in some areas.



Additionally, Skyline had their own internal QA/QC programme to ensure that assays are accurate. Skyline's analysis of the standard and blank samples showed that their work was accurate.

Skyline is an independent laboratory which had no affiliation to Golden Fame or Winston. Skyline Laboratory is fully accredited by the American Association for Laboratory Accreditation to the International Standard of ISO/IEC 17025:2005.

SRK ES believes that the quality of the drill core and the systematic sampling and secure chain of custody to the laboratory support the assumption that the assays returned from the Golden Fame drilling campaign can be considered to be compliant as well as accurate and representative.

## 9 DATA VERIFICATION

SRK ES visited most of the underground workings on the 6-level of the Gold Prince mine and confirmed the general correspondence to historical maps and sections.

Where stoping is extensive, it was not possible, without a concerted underground survey and mapping effort, to confirm that the historical maps are accurate and reflect the distribution and extent of stoping.

The drill logs and Assay Certificates for Golden Fame's drilling has been reviewed and verified against the digital drilling database that Metal NRG has provided and there is full correspondence between the two.

It was not possible to quantitatively verify the historical (pre-Golden Fame) assay data. Notwithstanding this, 100's of surface and underground maps and sections exist in the paper archive and many of these are recorded digitally, and these appear to be representative of the work carried out by previous owners, Phelps Dodge, Queenstake and Western States Mining Corp.

### 9.1 SRK ES Comments

It is SRK ES's opinion that both the historical and most recent geological work was conducted in a professional manner and that the historical geological data is a fair and reasonable reflection of the work conducted and accurate within normal standards of such activity. Thus, with the exception of the historical assay data we consider the data useable for interpretational purposes.

## 10 MINERAL PROCESSING AND METALLURGICAL TESTING

In 1987 Queenstake Resources submitted a bulk sample of Gold Prince vein material to Bateman Metallurgical Laboratories of Sparks, Nevada for combined gravity and flotation concentration testing.

Whilst results from this test work are available no details on the location and nature of the sample exist, therefore there is an assumption that this sample was representative of the material being exploited on the 5 level at that time.

The initial test work applied a 100% passing 65-mesh grind followed by gravity concentration and flotation of the gravity tails. The gravity concentrate contained 35.125 g/t Au that represented 62.6% of the gold in 14.4% of the original feed weight. The flotation concentrate assayed 785.15 g/t Au and contained 33.4% of the gold in 4.7% of the gravity tail weight. An agitated cyanidation process that recovered 77.3% of the contained gold in 96 hours then treated the bulk flotation concentrate, but the reagent consumption was high, which suggest some preg-robbing characteristics. Overall Bateman achieved a recovery of 88.4% from the first test.

Bateman conducted a second gravity-flotation test with a head feed of 80% passing 100 mesh. This test recovered 97.8% of the gold and 100% of the silver in the ore. The gravity concentrate contained 108.13 g/t Au and 110 g/t Ag, which represented 63.3% of the gold in 4.62% of the feed weight. The gravity concentration tails responded well to flotation, with 40.06 g/t Au and 101.87 g/t Ag in the flotation product. These results represent a recovery by gravity and flotation of 94.6% of the gold and 99.8% of the silver in 7.4% of the feed weight.

Western States Minerals Corporation also contracted Hazen Research Inc. of Golden, Colorado to conduct metallurgical testing of the Gold Prince mine ores in 1995 and 1996.

The first froth flotation test in 1995 recovered over 95% of the gold in a concentrate represented in about 8% of the feed ore.

The second froth flotation test of the Gold Prince composite yielded the following conclusions:

- Rougher flotation at a product of 80% passing 202 microns consistently recovered more than 97% of the gold values to a concentrate representing 12 to 14 weight% of the feed.
- Rougher flotation, followed by regrinding of the concentrate prior to a cleaner stage of flotation, recovered 97.3% of the gold in the sample to a concentrate representing 5.7 weight% of the feed at grade of 112.8 g/t Au. Additional cleaning to increase the gold grade of the concentrate would be expected to significantly reduce the gold recovery, and the process is not economically practical.
- Naturally occurring carbon in the ore is recovered to the rougher flotation concentrate and exhibits a preg-robbing effect during cyanidation that can be overcome somewhat by pre-floating the carbon from the ore and almost entirely by adding activated carbon.
- Bulk sulphide/gold flotation, followed by regrinding and Carbon in Leach cyanidation of the froth flotation concentrate, recovered 90.5% of the total gold in the Gold Prince composite sample. Subsequent carbon stripping, followed by electrowinning of the gold values, would probably be a suitable method for producing a direct-sale gold product at the Dos Cabezas Project.

Gold grain sizes range from one to 165 microns, with the majority of gold grains from 1 to 12 microns. Most of the gold identified to date occurs in the form of electrum (a naturally occurring alloy of gold and silver). Gold found in the underground veins tends to occur in pyrite. Pyrite is the primary sulphide mineral with subordinate amounts of galena and sphalerite, and minor amounts of chalcopyrite. Trace amounts of pyrrhotite, covellite and arsenopyrite have been identified.

## **10.1 SRK ES Comments**

Whilst these early studies are informative and would appear to indicate a processable ore with good recoveries, it is imperative that new controlled and compliant studies are conducted on a range of mineralised materials to establish the type processing needed to maximise recoveries and the costs therein of establishing small scale processing facilities or the possibility of toll treating the material elsewhere.

## 11 MINERAL RESOURCE ESTIMATES

No compliant Mineral Resource Estimate exists for the Gold Ridge properties.

A historic estimate produced by Queenstake in 1996 alludes to potential resources in the range of 35,000-40,000 ounces of gold at grades of 11.5 g/t Au. Details on his non-compliant estimate are available in the NI 43-101 report produced by Charles A. Braun of Braun Consulting Engineers, Lakewood CO in December 2016.

### 11.1 SRK ES Comments

It is safe to assume that Queenstake were professional operators and that their estimates were based upon reasonable data and assumptions, however these estimates were produced before the current modern standards in Quality Assurance and Quality Control and the lack of a complete dataset to review means that these estimates are impossible to verify.

Given the current understanding of the gold mineralisation in the area SRK ES would anticipate an exploration target of between 20,000-30,000 ounces per mineralised zone and that several zones would be reasonable in the area in question thus a potential of 100,000 ounces total gold content would be a reasonable estimate (minus historic production).

## 12 MINING METHODS

There are no formal plans or descriptions of any methodologies for future mining at the property.

### 12.1 SRK ES Comments

Historical mining appears to have been conducted by a form of shrinkage stoping. Ground conditions in the hanging and footwalls of the mineralised zone appear reasonably stable and many of the stopes remain open today, thus it can be assumed that a similar mining method would be suitable in the future and would be conducive to a low-cost start-up of a low tonnage operation.

**Figure 12-1: Image of old stope in Gold Prince mine, looking vertically up from Level 6, open and in reasonable condition**



## 13 RECOVERY METHODS

To date it would appear that all material removed from the Gold Ridge mines was treated off site, thus little information on historical processing methodologies for recovery exist. However potential recovery methods have been assessed by Queenstake Resources in 1987 and again by Western States Minerals Corporation in 1995/6; Section 11.

## 14 PROJECT INFRASTRUCTURE

The most important infrastructure at the project are the existing underground workings in the Gold Prince mine. These consist of at least three accessible adits connecting from the surface to the vein(s) as well as extensive underground drifting. Access via dirt road is excellent and passable year around. There is an inactive powerline once used to provide power to the project and surface crushing facilities. This powerline can be rehabilitated to modern specifications suitable to the scale of a planned operation.

The local town of Wilcox has supplies of food, lodging and basic services. Tucson is the nearest major supply centre.



## **15 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT**

There is no information relating to any current environmental studies or any initiated permitting efforts or social or community impact studies.

### **15.1 SRK ES Comments**

The Wilcox area has an extensive history of mining and there are numerous old mines in the region. It is of course essential that consultation with local stake holders is conducted early in the process but at this stage it would appear that there is little impediment to mining from the local community. Government bodies are pro mining in the state of Arizona, however there are extensive guidelines on how and where this work is conducted, again early consultation with the various authorities is essential.

## 16 ADJACENT PROPERTIES

The Dos Cabezas Mountains contain many small mines and prospects, mostly related to the large late Cretaceous-early Tertiary plutonic-volcanic centre. In general, these occurrences are either skarns and other contact deposits immediately adjacent to the intrusions or vein deposits similar to those at the Gold Ridge project. Production statistics are not recorded for most of these occurrences, the most notable mine for which production records do exist is the Mascot mine to the north of the Gold Ridge properties, where historic production of copper from the veins and contact skarn replacements in carbonate rocks reached approximately 61,500 tonnes. However, the mineralisation found at Mascot is not the same style as that seen at the Gold Ridge Mines.

### 16.1 SRK ES Comments

There are numerous old mine workings in the area all small and many of these appear to have totally distinct styles of mineralisation and indeed different minerals within them. This highlights the extensive and long lived nature of the mineralised system associated with the Apache Pass Fault Zone as well as the potential for other as yet undiscovered deposits within the project area.

## 17 CONCLUSIONS AND RECOMMENDATIONS

### 17.1 Conclusions

Mining has occurred at Gold Ridge property in at least three locations and intermittently over a time span of more than 100 years. Based on field observations made during the 2021 site visit the outcropping veins and the numerous, historical prospector led, surface trial excavations to test these, led to the discovery and development of mines within the Project area.

The Project area has never been subject to property scale systematic exploration using remote sensing, geochemical and geophysical methodologies. Whilst a limited amount of surface geochemical sampling has been undertaken, previous workers concentrating efforts on delineating extensions to the main veins rather taking a holistic approach to include testing for disseminated, potentially bulk minable, mineralisation.

The Gold Prince mine has seen the majority of the recorded production and all of the modern exploration and mining. The Gold Prince mine is a vein-type deposit developed on 5 levels over a strike length of roughly 300 m. This development appears to be within the confines of a broad southeast-plunging ore shoot. The nature of the mineralisation remains similar over the roughly 180 m of vertical development between the surface and the lowest level of the mine. Although maps of existing underground development may not document the current extent of underground development between levels, it is probable that mineable material remains in place, particularly between the 4-level and the 6-level.

Mapping and sampling both at surface and underground confirm that the vein is laterally extensive across the width of the property and anomalous to strongly gold-bearing in several places.

SRK ES considers that the mapping and sampling conducted to date supports the concept that the Gold Ridge project has potential for the discovery of further, mineable quartz vein hosted gold mineralisation and the structural assessment conducted during 2021 shows that the wider Project area clearly has areas which are prospective for hosting stock-work or disseminated mineralisation or deeper vein bodies whose expression is not seen at surface and hence was not found by the historical prospectors.

### 17.2 Recommendations

SRK ES considers that an initial two stage programme of follow-on work is warranted consisting phased fieldwork of structural and geological mapping and concurrent historical data validation and compilation.

It is recommended that a phase of structural and geological mapping is undertaken to follow and build upon the findings of the 2021 SRK ES field visit. Given the high variation in topographic relief and the rugged nature of the terrain this work would preferentially be conducted early in the year before the Arizona heat makes the work more challenging.

The most recent site visit has identified significant differences between quartz vein geometries and orientations within each of the major tectonic blocks. Further structural mapping should help define the kinematic strain history of the project area and its controls on gold mineralisation which will help focus follow-up areas for grid soil geochemical survey and ground geophysics targeting blind

orebodies and lower grade disseminated and stockwork mineralisation. It is also recommended that remote sensing analytical techniques are employed to supplement the mapping and ground survey data.

Preliminary areas of focus based on the preliminary structural assessment would include:

- North of the Project area on the claims immediately north of the third party held Mascot Mine where copper, silver and gold were historically mined from skarn type deposits which have been described as disseminations, narrow veins, replacement deposits, and disseminations in fault blocks of contact-metasomatized Palaeozoic limestone in Cretaceous or Tertiary volcanic rocks intruded by Laramide granite plutons (USGS, 2021).
- East of the Project area, the ground to the north-east of the Gold Prince Mine.
- Ground to the west of the Dives Mine.

The first phase of fieldwork should seek to ratify the preliminary areas of focus and delineate further areas for detailed ground assessment.

The concurrent data validation and compilation is essential to recover and assimilate the substantial number of maps and quantity of digital and paper files into a useable archive.

The compilation should include the following:

- Update the geological, drilling, sampling, and 3D digital databases to confirm that all surface and underground sample data is complete and consistent with paper maps in the archive.
- Recover all available assays certificates, drill logs, and sample description and add to the database.
- Rehabilitate the 3D model of the underground workings and integrate the long section stope outline maps
- Update the drill hole database to contain all location, lithology, alteration, mineralisation and structural characteristics from original paper drilling records to include in the Company's 3D model.
- The geochemical database should be rigorously examined for multi-element correlations that might yield pathfinder elemental characteristics for distinguishing endowed and barren veins.

The compilation work will be the basis for prioritising surface sampling, and through developing an understanding of the mineralised framework from the underground workings (what has been mined?, where? and what does it connect to?), will help develop a more complete understanding of geological structures and their influence on the mineralised zones within the historical mines. This in turn will help with a view to predicting prospective localities for both high grade and lower grade bulk minable gold mineralisation.

The initial phase of surface structural and geological mapping and sampling would lead into ground geophysics with follow-on work phases of drilling to first confirm the target and then delineate the target morphology and potential grade range.

It may also be worthwhile confirming the status of several unpatented claims owned by competitors within, or near, the main landholdings as these may be worth acquiring in the future.

Table 17-1 below outlines a broad scale budget for the initial project, SRK ES considers the budget appropriate and sufficient to achieve the initial project goals of establishing the existence of a compliant resource at Gold Ridge.

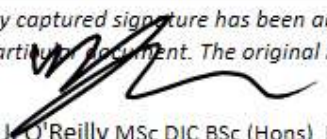
**Table 17-1: Recommended budget for Phase 1 Surface Fieldwork & Data Compilation**

Work Phase	Description	Budget Allocation
Project Overheads & Permitting – Year 1	<b>Local administration, permitting and licencing including budget for County property taxes (patented mining claims), US Bureau Land Management unpatented claims and leases.</b>	<b>\$75,000</b>
<b>Phase 1</b>	Structural and geological mapping, remote sensing data interpretation, soil geochemical sampling, targeted ground geophysics.	\$200,000
	Data compilation, databasing, digitising and interpretation.	\$50,000
<b>Contingency</b>	15%	\$50,000
<b>Total Anticipated Budget for Phase 1</b>		<b>\$375,000</b>

## Signatures

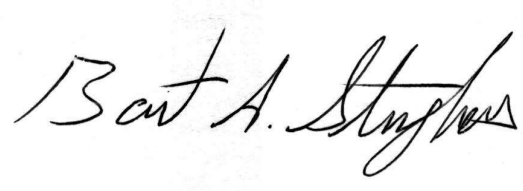
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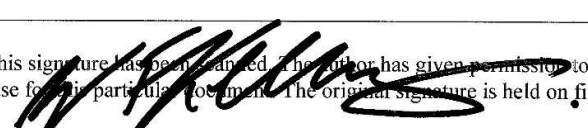
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All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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**Appendix A      Gold Ridge Unpatented & Patented Claim Holdings**



## Gold Ridge Unpatented Claim Holdings

Claim Name	Location Date	BLM Serial Number	Claim Type
BEARCAT	01/09/1986	260044	Unpatented Lode
CASEY NO. 1	01/09/1986	260041	Unpatented Lode
CASEY NO. 2	01/09/1986	260042	Unpatented Lode
CASEY NO. 3	01/09/1986	260043	Unpatented Lode
CHRYSLER	21/12/1987	279081	Unpatented Lode
DC 1	21/04/2005	365714	Unpatented Lode
DC 10	21/04/2005	365723	Unpatented Lode
DC 100	22/04/2005	365792	Unpatented Lode
DC 11	21/04/2005	365724	Unpatented Lode
DC 12	21/04/2005	365725	Unpatented Lode
DC 13	21/04/2005	365726	Unpatented Lode
DC 14	21/04/2005	365727	Unpatented Lode
DC 15	21/04/2005	365728	Unpatented Lode
DC 16	21/04/2005	365729	Unpatented Lode
DC 17	21/04/2005	365730	Unpatented Lode
DC 18	21/04/2005	365731	Unpatented Lode
DC 19	21/04/2005	365732	Unpatented Lode
DC 2	21/04/2005	365715	Unpatented Lode
DC 20	21/04/2005	365733	Unpatented Lode
DC 21	20/04/2005	365734	Unpatented Lode
DC 22	20/04/2005	365735	Unpatented Lode
DC 23	21/04/2005	365736	Unpatented Lode
DC 24	21/04/2005	365737	Unpatented Lode
DC 25	21/04/2005	365738	Unpatented Lode
DC 26	21/04/2005	365739	Unpatented Lode
DC 27	21/04/2005	365740	Unpatented Lode
DC 28	20/04/2005	365741	Unpatented Lode
DC 3	21/04/2005	365716	Unpatented Lode
DC 30	19/04/2005	365742	Unpatented Lode
DC 31	19/04/2005	365743	Unpatented Lode
DC 32	02/03/2005	365744	Unpatented Lode
DC 33	02/03/2005	365745	Unpatented Lode
DC 34	19/04/2005	365746	Unpatented Lode
DC 35	19/04/2005	365747	Unpatented Lode
DC 36	19/04/2005	365748	Unpatented Lode

Claim Name	Location Date	BLM Serial Number	Claim Type
DC 37	19/04/2005	365749	Unpatented Lode
DC 39	25/02/2005	365750	Unpatented Lode
DC 4	21/04/2005	365717	Unpatented Lode
DC 40	02/03/2005	365751	Unpatented Lode
DC 41	02/03/2005	365752	Unpatented Lode
DC 42	02/03/2005	365753	Unpatented Lode
DC 43	02/03/2005	365754	Unpatented Lode
DC 44	19/04/2005	365755	Unpatented Lode
DC 45	16/04/2005	365756	Unpatented Lode
DC 46	16/04/2005	365757	Unpatented Lode
DC 47	25/02/2005	365758	Unpatented Lode
DC 5	21/04/2005	365718	Unpatented Lode
DC 6	21/04/2005	365719	Unpatented Lode
DC 66	22/04/2005	365759	Unpatented Lode
DC 67	22/04/2005	365760	Unpatented Lode
DC 68	22/04/2005	365761	Unpatented Lode
DC 69	22/04/2005	365762	Unpatented Lode
DC 7	21/04/2005	365720	Unpatented Lode
DC 70	21/04/2005	365763	Unpatented Lode
DC 71	21/04/2005	365764	Unpatented Lode
DC 72	21/04/2005	365765	Unpatented Lode
DC 73	22/04/2005	365766	Unpatented Lode
DC 74	22/04/2005	365767	Unpatented Lode
DC 75	21/04/2005	365768	Unpatented Lode
DC 76	21/04/2005	365769	Unpatented Lode
DC 77	22/04/2005	365770	Unpatented Lode
DC 78	22/04/2005	365771	Unpatented Lode
DC 79	22/04/2005	365772	Unpatented Lode
DC 8	22/04/2005	365721	Unpatented Lode
DC 81	25/02/2005	365773	Unpatented Lode
DC 82	25/02/2005	365774	Unpatented Lode
DC 83	25/02/2005	365775	Unpatented Lode
DC 84	25/02/2005	365776	Unpatented Lode
DC 85	25/02/2005	365777	Unpatented Lode
DC 86	25/02/2005	365778	Unpatented Lode
DC 87	25/02/2005	365779	Unpatented Lode
DC 88	25/02/2005	365780	Unpatented Lode
DC 89	25/02/2005	365781	Unpatented Lode

Claim Name	Location Date	BLM Serial Number	Claim Type
DC 9	22/04/2005	365722	Unpatented Lode
DC 90	19/04/2005	365782	Unpatented Lode
DC 91	25/02/2005	365783	Unpatented Lode
DC 92	25/02/2005	365784	Unpatented Lode
DC 93	25/02/2005	365785	Unpatented Lode
DC 94	25/02/2005	365786	Unpatented Lode
DC 95	25/02/2005	365787	Unpatented Lode
DC 96	25/02/2005	365788	Unpatented Lode
DC 97	25/02/2005	365789	Unpatented Lode
DC 98	25/02/2005	365790	Unpatented Lode
DC 99	25/02/2005	365791	Unpatented Lode
MERRILY NO. 10	27/06/1988	286819	Unpatented Lode
MERRILY NO. 11	27/06/1988	286820	Unpatented Lode
MERRILY NO. 12	27/06/1988	286821	Unpatented Lode
MERRILY NO. 13	27/06/1988	286822	Unpatented Lode
MERRILY NO. 14	27/06/1988	286823	Unpatented Lode
MERRILY NO. 15	27/06/1988	286824	Unpatented Lode
MERRILY NO. 3	23/03/1988	282649	Unpatented Lode
MERRILY NO. 4	23/03/1988	282650	Unpatented Lode
MERRILY NO. 5	23/03/1988	282651	Unpatented Lode
MERRILY NO. 6	23/03/1988	282652	Unpatented Lode
MERRILY NO. 7	23/03/1988	282653	Unpatented Lode
MERRILY NO. 8	23/03/1988	282654	Unpatented Lode
MERRILY NO. 9	27/06/1988	286818	Unpatented Lode
MOUNTAIN DEW NO. 1	01/09/1986	260035	Unpatented Lode
MOUNTAIN DEW NO. 2	01/09/1986	260036	Unpatented Lode
MOUNTAIN DEW NO. 3	01/09/1986	260037	Unpatented Lode
MOUNTAIN DEW NO. 4	19/11/2002	357474	Unpatented Lode
MOUNTAIN DEW NO. 5	19/11/2002	357473	Unpatented Lode
NWR #1	19/11/2002	357467	Unpatented Placer
NWR #2	19/11/2002	357468	Unpatented Placer
NWR #3	19/11/2002	357469	Unpatented Placer
NWR #4	19/11/2002	357470	Unpatented Placer
NWR #5	19/11/2002	357471	Unpatented Placer
NWR #6	19/11/2002	357472	Unpatented Placer
SUSPENSION NO. 4	01/09/1986	260045	Unpatented Lode
TRAM NO. 1	01/09/1986	260038	Unpatented Lode
TRAM NO. 2	01/09/1986	260039	Unpatented Lode

Claim Name	Location Date	BLM Serial Number	Claim Type
TRAM NO. 3	01/09/1986	260040	Unpatented Lode
Arizona No. 1	22/02/1979	41270	Leased Unpatented Lode
Arizona No. 2	22/02/1979	41271	Leased Unpatented Lode
Arizona No. 3	22/02/1978	41272	Leased Unpatented Lode
Klondike No. 1	22/02/1979	41266	Leased Unpatented Lode
Klondike No. 2	22/02/1979	41267	Leased Unpatented Lode
Klondike No. 3	22/02/1979	41268	Leased Unpatented Lode
Klondike No. 4	22/02/1979	41269	Leased Unpatented Lode
Klondike No. 5	27/10/1987	276501	Leased Unpatented Lode
One More Chance No. 1	27/10/1987	276497	Leased Unpatented Lode
One More Chance No. 2	27/10/1987	276498	Leased Unpatented Lode
One More Chance No. 3	27/10/1987	276499	Leased Unpatented Lode
One More Chance No. 4	27/10/1987	276500	Leased Unpatented Lode

#### Gold Ridge Patented Claim Holdings

Patent_ID	Min_Survey #	Pat_Number	County_Book/Page
JUNO NO.1	4380	1165301	155/573
STUDEBAKER	4380	1165301	155/573
PACKARD	4380	1165301	155/573
EAST JUNO	4380	1165301	155/573
JUNO	4380	1165301	155/573
GOLD RIDGE NO. 1	4380	1165301	155/573
FORD	4380	1165301	155/573
DODGE	4380	1165301	155/573
STAR	4380	1165301	155/573
STUTZ	4380	1165301	155/573
BUICK	4380	1165301	155/573
PIERCE ARROW	4380	1165301	155/573
CHEVROLET	4380	1165301	155/573
EWELL SPRING	1554	NA	20/71
GOLD RIDGE	4380	1165301	155/573
SUSPENSION NO. 2	4380	1165301	155/573
SUSPENSION NO. 1	4380	1165301	155/573

Patent_ID	Min_Survey #	Pat_Number	County_Book/Page
GRACIE	4380	1165301	155/573
THELMA	4380	1165301	155/573
SUSPENSION NO. 3	4380	1165301	155/573